



**Retirement Assistance Center Veterans Benefits Administration (VBA)**  
**Retirement Information Training Script**

Slide One, Retirement Assistance Center Veterans Benefits Administration or VBA  
Retirement Information Training

Welcome to the Retirement Assistance Center VBA Retirement Information Training.

Slide Two, Overview

The purpose of this training is to provide necessary information to help prepare you for retirement.

This training covers the following:

- Overview of Federal Retirement System or FERS
- Retirement Types
- Eligibility Requirements for Retirement
- Creditable Military Service
- Creditable Civilian Service
- Annuity Computations
- Social Security
- Health and Life Insurance
- Thrift Savings Plan or TSP

Slide Three, Objectives

After completing this training, you will be able to:

- Identify the federal retirement system and retirement types to include immediate retirement or voluntary, deferred, or postponed retirement, and disability retirement.
- Identify eligibility requirements for retirement to include creditable military service and creditable civilian service.
- Identify retirement income to include annuity computation, social security, insurance, and thrift savings plan.



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## Slide Four, Overview of Federal Retirement Systems

Pre-retirement planning can make a big difference when the time comes to step away from Federal service.

## Slide Five, FERS Retirement System Benefits

What does a three-legged stool have in common with FERS?

In the Federal Government, it's important to know that there are three sources of income for all FERS employees post federal employment.

## Slide Six, Retirement Income

The three retirement incomes include the following:

One Federal Retirement Annuity which comes from the Office of Personnel Management or OPM.

Two Social Security Retirement Benefit which comes from the Social Security Administration or SSA and, three the Thrift Savings Plan.

After retirement, you will coordinate with TSP to access those funds in a manner that meets you and your family's needs to receive those funds. That is how we compare to a three-legged stool.



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## Slide Seven, Federal Retirement Systems

The three types of Federal Retirement Systems include the following:

One Federal Employee Retirement System or FERS.

Two FERS Revised Annuity Employees or FERS RAE and,

Three FERS Further Revised Annuity Employees or FERS FRAE.

These systems became effective in different years.

FERS became effective January first, 1987, FERS RAE became effective January first, 2013, and FERS FRAE became effective January first, 2014.

All three types of FERS provide a three-tiered benefit package including a full Social Security, basic annuity, and a Thrift Savings Plan.

The FERS employee contributes 0.8 percent, the FERS RAE employee contributes 3.1 percent and, the FERS FRAE employee contributes 4.4 percent.

All three types have the same Social Security and Medicare tax amounts. Social Security tax is 6.2 percent, and the Medicare tax is 1.45 percent.

## Slide Eight, Retirement Types

Now that you understand the three Federal Retirement Systems let's review the different types of retirements.



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### Slide Nine, Immediate or Voluntary Retirement

An immediate or voluntary retirement benefit is one that starts within thirty days from the date you stop working. Eligibility is based on your age and the number of years of creditable service.

How are employees eligible for voluntary or optional retirement?

You must have the number of required years of service and age and must have both to retire. OPM will use age and years of service to determine your creditable service and eligibility to compute your retirement annuity. This is something that the Retirement Assistance Center can help you with.

### Slide Ten, Deferred or Postponed Retirement

Deferred or postponed retirement refers to a delayed payment of benefits until criteria is met. If you leave Federal Service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits.

Deferred or postponed retirement is a delay in the commencement of retirement annuity. This is really a resignation; therefore, deferred, or postponed retirement largely depends on the number of years of service upon separation by other than retirement and or involuntary separation due to conduct. With a deferred or postponed retirement, you are resigning because you haven't met the requirement of years and age. The benefits team can help you determine how much time you have, how much time you'll need to wait to receive your deferred or postponed benefit, and how much you should anticipate receiving. It allows individuals contemplating resigning to make an informed decision regarding retirement benefits.



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## Slide Eleven, Disability Retirement

You must have become disabled, while employed in a position subject to FERS, because of a disease or injury, for useful and efficient service in your current position. The disability must be expected to last one year. The employing agency will need complete documentation of your medical condition. This option is useful after the agency has exhausted all possible accommodations.

With a disability retirement, the agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency at the same grade or pay within the same commuting area for which you are qualified for reassignment.

Disability is an instance where the employee has fallen ill or has a disease that prevents them from being able to work. The VBA retirement, or benefits team will assist an active employee with preparing the application that will be submitted to OPM. OPM has the final authority on approving or disapproving disability retirement applications.

Please feel free to contact the retirement or benefits team to request retirement information as you move forward in your Federal career.

## Slide Twelve, Eligibility Requirements for Retirement

Let's now get to the questions I'm sure everyone has been asking.

- What are the requirements for retirement? and
- When can I retire?



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## Slide Thirteen, Retirement Eligibility Requirements

It's important to note that eligibility is determined by your age and number of years of creditable service. In some cases, you must have reached a specific age, often referred to as the Minimum Retirement Age or MRA, to receive retirement benefits. There are different MRA requirements depending on the year you were born.

Immediate or Voluntary Retirement is a benefit that starts within thirty days from the date you stop working. If you retire at the MRA with at least ten but less than thirty years of service, your benefit will be reduced by five percent a year for each year you are under age sixty-two unless you have twenty years of service.

Deferred Retirement refers to a delayed payment. If you leave Federal Service before you meet the age and service requirements for an immediate benefit, you may be eligible for deferred benefits. You are eligible for a deferred annuity if you meet one of the following age and service requirements:

- You have completed at least five years of creditable civilian service, then you are eligible for a deferred annuity beginning the first day of the month after you reach age sixty-two.
- You have completed at least ten years of creditable service, including five years of civilian service, then you are eligible for a deferred annuity beginning the first day of the month after you reach the MRA.

There is no age requirement to apply for disability retirement however, there is a requirement that you work for the Federal Government at least eighteen months before applying.

One of the popular items about this training is that we'll show you what your MRA will be so you can figure out where you fit on the retirement scale.

MRA+10 - If you have ten or more years of service, you can retire at your MRA. Under this type of retirement, your annuity will be reduced for each month that you are under age sixty-two. The reduction is five percent per year (5/12 of a percent per month). However, your annuity will not be reduced if you completed at least thirty years of service, or if you completed at least twenty years of service and your annuity begins when you reach age sixty.

Some questions to think about.

Are you eligible for an immediate retirement?

Are you only eligible for a deferred or postponed retirement?

Are you eligible now for MRA + 10 or will you need to wait longer?



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## Slide Fourteen, FERS MRA+10 Also Known As Early Retirement

The Minimum Retirement Age+10 is a benefit unique to FERS that can be used however, there are disadvantages.

One disadvantage is that the retirement annuity benefit will be reduced by five percent for each year you are under age sixty-two.

That reduction will never change, not even when you reach age sixty-two. For example, if you are three years away from sixty-two but take MRA+10, at age sixty-two, your annuity will not change.

Other disadvantages include not being able to receive Social Security until age sixty-two, not being able to qualify for the FERS supplement, check is permanently reduced, and possibly penalized for withdraw of TSP funds.

## Slide Fifteen, Knowledge Check

Before we go into MRA. Let's check your knowledge.

What year did FERS regular begin?

- A. January 01, 1987
- B. January 01, 2013, or
- C. January 01, 2014

## Slide Sixteen, Knowledge Check Answer

The correct answer is A. January 01, 1987.

## Slide Seventeen, FERS MRA Requirements

The Minimum Retirement Age, or MRA is different for everyone, as it is dependent on the year you were born and the age you were at the time of retirement as reflected in the chart provided in the FERS MRA Requirements resource document.

For instance, if you were born in 1966, your MRA is fifty-six and four months, however, if you were born in 1970, your MRA is fifty-seven.



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### Slide Eighteen, FERS Benefit Estimate

This is an image of a FERS benefit estimate report of an employee who is retiring. The highlighted area provides information on the NET monthly annuity to include the FERS annuity supplement and the monthly survivor annuity elected amounts.

If you are under the age of sixty-two and are eligible for a full voluntary retirement, FERS employees will receive the annuity supplement until age sixty-two.

It usually takes three to six months for OPM to adjudicate the retirement applications and add the supplement to the monthly annuity.

### Slide Nineteen, FERS Supplement

What exactly is a FERS annuity supplement?

A FERS annuity supplement is a special retirement annuity supplement paid by OPM to FERS employees who retire on an immediate annuity and retire as a voluntary retirement at MRA after at least thirty years of service or age sixty with at least twenty years of service.

The general purpose of the annuity supplement is to provide a level of income before age sixty-two that would be received at age sixty-two as part of a social security benefit.

Annuity is payable until the last day of the month prior to the retiree becoming age sixty-two.

Annuity is computed like the Social Security Benefits formula.

The annuity supplement, like Social Security may be reduced if a retiree has excess outside income (reduced on dollar for every two dollars over the minimum earnings level).

Please note that individuals retiring on disability retirement, MRA+10, deferred or postponed retirement, and individuals at age sixty-two or older WILL NOT have a FERS annuity supplement.

### Slide Twenty, Earnings Record

If you know that you are going to be under the age of sixty-two and eligible for your full retirement, please include a copy of your Social Security earnings record along with your request if you want your estimate to include an estimate of the FERS annuity supplement.





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### Slide Twenty-One, Creditable Military Service

As a general rule, military service in the Armed Forces of the United States is creditable for retirement purposes if it was active service terminated under honorable conditions and performed prior to your separation from civilian service for retirement.

### Slide Twenty-Two, Creditable Military Service

Provide military earnings and DD214(s) to the Retirement Assistance Center to provide estimated deposit amount and necessary form(s) to sign.

Deposits are paid according to Defense Finance Accounting Service or DFAS instructions via payroll biweekly deductions, and the pay.gov website.

Application for Military Service Deposit or MSD are submitted to the Retirement Assistance Center only, not to the local station's Support Service Division or Payroll.

### Slide Twenty-Three, Potentially Creditable Service

**Honorable, active military service** in the Army, Navy, Air Force, Marine Corps or Coast Guard can be creditable if **not** included in the computation of military retired pay **and** a deposit is made.

To receive retirement credit for any military service; a deposit must be made. This deposit is the amount of money that would have been paid if this service was an actual retirement deductible appointment AND must be paid before leaving VA. Please ensure you allow enough time to apply, get earnings from the appropriate branch of service, and submit the information to DFAS to begin payment.

**Active-Duty reserve** time such as a **15-day Annual Training** is considered active military service and can be deposited.

This military service must have been Active Duty and the character of discharge Honorable. FERS employees receive retirement credit only if the deposit is paid in full.

**Active-Duty time** that was used for the computation of retired pay can be bought back without waiving retired pay **IF** retired pay was awarded under the provisions of 10 U.S.C. 12731-12739.

If the deposit is not paid at Social Security age sixty-two your retirement annuity will be reduced to exclude the military credit.



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**Military service** must be performed prior to the date of the separation upon which the annuity is entitled.

If you wish to begin payment for the military service, you will need to provide specific military documents to compute the deposit that will be required. That may be the DD214, active-duty reserve orders, and your military earnings record. For any active time, you wish to be credited, please provide the appropriate documents and we will review to determine if the service is creditable service.

### Slide Twenty-Four, Deposit For Military Service

FERS deposit is based on a percentage of the military basic pay, **usually three percent plus interest.**

The law provides a three-year interest free grace period on military deposits, **after the three-year period interest is accrued and compounded annually.**

Military Service Deposit is paid to DFAS and **must be paid in full six months prior to retirement.**

### Slide Twenty-Five, Estimated Earnings

This is an example of an estimated earnings or basic pay. Estimated earnings for any period of service prior to January first, 1957, are not provided. The chart shows the from date month, day, and year to date month, day, and year and the money amount earned during those dates along with a grand total amount.

The retirement or benefits team won't be able to provide an estimate of your amount owed without this vital information. Each military branch pay center provides the earnings to veterans at different intervals. If you don't receive a response within six weeks, we suggest you send them a second request to move the process along.

Each Veteran must request from military service. The retirement or benefits team can only provide information on requesting this information but can't request the information. Please reach out to the Retirement Assistance Center for assistance if needed.



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### Slide Twenty-Six, DD214

This table illustrates the Servicemember's Group Life Insurance or SGLI coverage amount: None, record of service: date entered at this period 2009 JAN 06, separation date at this period 2010 DEC 23, type of separation: Discharged and character of service: Honorable.

The earnings must match the entrance and separation dates. Sometimes the estimated earnings may not match, and the retirement or benefits team will have to provide veterans with a modified estimate eliminating that time. Exact information is vital in providing a healthy military service deposit application. The Retirement Assistance Center will need the member's copy of their DD214 that shows an honorable discharge. If there is information indicated on the DD214 that the veteran had prior service, estimated earnings and a DD214 for that time will also need to be submitted.

### Slide Twenty-Seven, Military Retired Pay

No credit towards your retirement unless you:

- Waive military retirement pay
- Pay deposit plus applicable interest
- Waive the military retirement pay by submission of a letter to DFAS prior to retirement

Exceptions:

- If military retired pay was awarded based on:
  - A service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war
  - The provisions of Chapter 67, Title 10 U.S.C. (pertaining to retirement from a reserve component of the Armed Forces)

**Note: DD214 must include "Character of Service" (Member 4 copy)**

Some employees can purchase the military time and continue receiving their military retired pay. This requires specific documentation that the Agency must verify before retirement. Some employees want to waive their pay and receive the creditable service. In cases such as this, the Retirement Assistance Center is required to have proof that the pay was waived and include it with the retirement application.

Some retirees may not have to waive military retired pay to receive credit. This applies to those veterans who are receiving military retired pay due to an instrumentality of war or injury sustained in combat. Please provide orders or DD214 to review to determine if time can be purchased as well as receive military retired pay.



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## Slide Twenty-Eight, Creditable Civilian Service

What is creditable civilian service?

Any Federal covered service in which an employee paid into the FERS retirement system is creditable civilian service.

What if you worked in a Federal position and weren't eligible to pay into the FERS retirement plan?

Employees may have Federal service worked in the past where no retirement deductions were taken at the time, but a deposit can be made now to "purchase" that time. That time may be creditable.

Review your electronic Official Personnel Folder or eOPF. It is important to review history to determine if you were in a retirement system or if the time was recorded as Federal Insurance Contributions Act or FICA. If before 1989, you may be eligible to make a deposit for that time.

## Slide Twenty-Nine, Creditable Civilian Service

**Federal Covered Service** is service in which the individual's pay is subject to FERS retirement deductions such as service under a career or career conditional appointment.

**Unused Sick Leave** under FERS can be used to increase an individual's total creditable service for **annuity computation purposes only**.

**Federal Service Performed Before 1989** when an employee's pay is not subject to retirement deduction such as service under a temporary appointment if **a deposit is paid**.

If you are interested in making a deposit for any civilian time, please reach out to the Retirement Assistance Center or benefits team. The Retirement Assistance Center will assist you with an estimate and will let you know the next steps required to make the deposit if you wish to pursue it.



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### Slide Thirty – Non-Deductive Service

**Federal Covered Service** is when no retirement contributions were withheld, such as FICA (Social Security) only.

**Unused Sick Leave** under FERS can be used to increase an individual's total creditable service for **annuity computation purposes only**.

**Federal Service Performed Before 1989** must be paid otherwise it is non creditable.

**Federal Service Performed After 01/01/1989** is not creditable for retirement purposes.

**Leave Without Pay (LWOP)** up to six months in a calendar year is creditable.

These are topics that can be discussed with your retirement specialist during a counseling session as you review your retirement estimate.

### Slide Thirty-One, Refunded Service

When an employee leaves federal service and receives a refund, that time can be purchased.

Creditable for eligibility, regardless of whether the redeposit is paid.

Creditable for computation **ONLY if a redeposit is paid**.

Public Law 111-84, Section 1904 permits employees who are subsequently reemployed to make a redeposit of the amount refunded, plus interest, and to have credit for the service reinstated.

### Slide Thirty-Two, How Can I Make A Deposit?

To receive civilian credit an application must be submitted to the Office of Personnel Management or OPM.

Request an estimated deposit and or redeposit report and application from the retirement team.

Please allow OPM four to six months to work your case and mail you an invoice of the actual amount due.

Follow the instructions on the back of the invoice on how to make payments directly to OPM.



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**DO NOT TRY TO MAKE PAYMENTS TO THE TEAM OR YOUR LOCAL AGENT CASHIER**

Making these deposits or redeposits will need to be coordinated through the retirement or benefits team. The Retirement Assistance Center will provide an estimate of what it will cost to make a deposit or redeposit for that time and provide the application to OPM.

Slide Thirty-Three, Annuity Computation

What is an annuity computation?

The first source of income is the Federal Retirement Annuity which comes from the Office of Personnel Management or OPM.

Slide Thirty-Four, FERS Basic Annuity Formula Example One

FERS basic annuity is based on a percentage of the high three-year average salary (three consecutive years) and does not include bonuses, overtime, allowances, special pay for recruiting and retention purposes.

Percentage is determined by the amount of creditable service and the appropriate annuity formula.

This is an example to provide an idea of an annuity a retiree will receive.

For employees who are **under the age of sixty-two** and have **at least twenty years** their retirement will be figured out by the following formula:

**One percent (0.01) times the salary average of an employee's highest three years times their years of service divided by twelve monthly payments**



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**Example :**

This employee is **sixty-one years old with twenty years of service**; their average salary is fifty thousand.

Calculate the employee's basic annuity pay by using the formula.

One percent times fifty thousand equals five hundred dollars.

Five hundred times their years of service of twenty equals ten thousand.

Ten thousand divided by twelve monthly payments is eight hundred and thirty-three dollars a month.

**This employee would receive eight hundred and thirty-three dollars a month for their basic annuity pay.**

**Slide Thirty-Five, FERS Basic Annuity Formula Example Two**

This next example is for an employee who is **sixty-two years or older with twenty years of service**. There is a misconception by employees that they are required to wait until age sixty-two to retire. Employees are not required to retire at age sixty-two; however, it is popular if they want the 1.1 percent computation used for the retirement annuity rather than the one percent used for those below age sixty-two.

For employees who are **sixty-two years or older with twenty years of service** or more, their retirement will be figured out by the following formula:

**One point one percent (0.11) times their average salary of fifty thousand dollars times twenty years of service then divided by twelve monthly payments.**

This employee would receive nine hundred and sixteen dollars in monthly annuity pay.



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### Slide Thirty-Six, Commencement Date of FERS Retirement

FERS retirees experience no delay in processing when they retire on the last day of any month.

The day of commencement is the first day of the month following the separation of service.

OPM recommends that FERS employees retire on the last day of the month as the annuity will begin the first day of the next month.

Can you retire any day of the month?

Of course, you can however, the time prior to the end of the month won't count toward your annuity which won't begin until the first day of the next month. This also may cause delayed receipt of your interim pay. The retirement specialist will always advise to pick the last day of the month but will honor the wishes of employees to choose any day of the month to retire.

**Example:**

This employee retires on August thirty first two thousand and twenty-two and his annuity begins September first, two thousand and twenty-two.

### Slide Thirty-Seven, Social Security

The second leg of FERS retirement annuity is Social Security.

### Slide Thirty-Eight, Qualifying For Benefits

You need to work to earn Social Security credits.

Each one-thousand and two-hundred dollars in earnings gives you one credit.

You can earn a maximum of four credits per year.

**Example:** To earn four credits in a year, you must earn at least four-thousand and eight-hundred dollars. Earning forty credits (ten years of work) throughout your working life will qualify you for a retirement benefit.

As FERS employees, we are automatically placed into Social Security system so we will have that second leg of retirement income when we retire.





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### Slide Thirty-Nine, FERS and Social Security

When planning retirement, investigate how much your Social Security earnings will be. The retirement or benefits team can provide an estimate of your retirement annuity with OPM based on your Federal service; however, to provide an estimate of your Social Security earnings, you will need to provide a copy of your Social Security earnings statement. You can retrieve this information by creating a mySS account on the SSA.gov website. SSA.gov will help you keep track of your earnings and will answer all questions you have regarding your Social Security benefits. This will help you have a full understanding of the second leg of retirement revenue.

Refer to the VBA Retirement Information Training Social Security resource document for more information.

### Slide Forty, Social Security Benefit

When can you start receiving your Social Security benefit?

The earliest you can start receiving Social Security Benefits is **age sixty-two**; If you delay your retirement benefits until after full retirement age you will receive an increased monthly benefit.

Do you know your Social Security full retirement age?

**Example:** If your full retirement age is sixty-six but you elect to start receiving your benefits at age sixty-two your monthly benefit **will be reduced by twenty-five percent**.

Please note Social Security has wonderful handouts and links on the website to find out what Social Security benefits will be. If thinking about retirement, don't just think about retirement annuity from OPM. Review your Social Security information to determine when you should begin receiving Social Security benefits; how much those benefits will be; impact of delaying receipt of benefits after full retirement age, etc.

### Slide Forty-One, Social Security Benefit Delayed Retirement Credits

If you choose to delay receiving benefits until age seventy your monthly benefit will be increased due to delayed retirement credits.

Go to the Social Security website to determine the amount of your increase from delayed retirement credits.



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The benefit increase no longer applies when you reach age seventy, even if you continue to delay taking benefits.

**Note:** If you've already reached full retirement age, you can choose to start receiving benefits before the month you apply.

### Slide Forty-Two, Health and Life Insurance

As you contemplate retirement, there are choices available regarding your Federal Employee Health Benefits or FEHB and Federal Employee Group Life Insurance or FEGLI benefits.

### Slide Forty-Three, Notification of Personnel Action – (Standard Form-50)

Information about your FEGLI in retirement can be discussed during the counseling process. There are choices to be made. It is important that you review your Notification of Personnel Action Standard Form-50 in your eOPF to find out what your current coverage is for FEGLI and what changes, if any, you wish to make as you retire.

### Slide Forty-Four, Life Insurance

#### **Eligibility to Continue Life Insurance In Retirement**

- Retire on immediate annuity
- Covered for the last five years of service or from first opportunity to enroll
- You are enrolled in FEGLI on the date of retirement

#### **Plan Coverage Options**

#### **BASIC LIFE INSURANCE**

- Option A – Standard
- Option B – Additional
- Option C – Family

**You may make changes to your life insurance at retirement (You can decrease but not increase)**

Please remember you're getting paid twenty-six times a year as an employee. However, when you retire, you will receive twelve monthly annuity checks each year so you will need to determine how much life insurance you wish to keep as a retiree.



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How are you eligible to continue life insurance coverage?

Life insurance can be carried into retirement if you are eligible for an immediate retirement and have five years of continuous service. If you wish to continue with Options A Standard, B Additional, or C Family, you must have had them for five years immediately preceding retirement to continue them into retirement. If not, you won't be able to carry the options into retirement and won't be eligible to keep them.

### Slide Forty-Five, FEGLI Coverage Options

If you wish to have more net pay in retirement, you can decrease your life insurance coverage.

How is your life insurance calculated?

The options available are:

Basic insurance is your basic pay rounded up to the next thousand plus two thousand.

Option A Standard is always ten thousand.

Option B Additional is your salary times the number of options you selected.

Option C Family is for your children (up to age twenty-six) and your spouse. This option is up to five multiples of five thousand dollars for a spouse and two thousand and five hundred for children.

### Slide Forty-Six, Cost of Keeping Insurance

The cost of Optional insurance continues to increase when you move to a new age band, just as it does for employees.

This example shows the amount of insurance coverage the employee elected to continue in retirement and the monthly premium costs, based on 2021 FEGLI rates. Reductions begin at age sixty-five or date of retirement if later.

The coverage is based on final basic pay of seventy-four thousand one hundred and forty dollars. This employee has Options A Standard, B Additional, and C Family. The employee wants to keep the life insurance into retirement. No reduction would cost one hundred and ninety-nine dollars and ninety-five cents, Option A would cost thirteen dollars, Option B would cost three hundred and twenty-five dollars and thirteen cents, and Option C would cost twenty-six



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dollars and thirty-five cents per month. Option B increases as the retiree ages. The cost of keeping life insurance can be costly and is a big decision to make as you retire.

### Slide Forty-Seven, Monthly Cost of Life Insurance

This is an example of the employee keeping the full life insurance in retirement. The premium for coverage will be five hundred and sixty-four dollars and forty-three cents each month. The employee's decision to keep Option B at retirement will cost three hundred and twenty-five dollars and thirteen cents but by the time the retiree is eighty years old, Option B alone will cost two thousand three hundred and forty dollars.

### Slide Forty-Eight, Health Insurance in Retirement

You are eligible to continue your current health insurance into retirement, providing that you:

- Retire on immediate annuity.
- Were covered for the last five years of service or enrolled at the first opportunity which could include your FEHB in which you are the primary insurer or covered under your spouse FEHB or coverage by Tri-Care.

Premium for retiree is same as employee; but if annuity isn't enough to cover, OPM will provide a coupon book for the retiree to pay directly to OPM monthly. If FEHB premiums go up, OPM will provide coupon book to pay the additional costs.

If retiree's annuity is not enough to cover the premium, retiree can make direct payments to OPM for the remaining amount

There is not a five-year requirement for continuing dental or vision insurance. It all depends on what you want to have in your net pay as a retiree.



## Slide Forty-Nine, Thrift Savings Plan

The third leg of retirement income is the Thrift Savings Plan.

## Slide Fifty, Thrift Savings Plan Information

Refer to the VBA Retirement Information Training TSP resource document for more information.

Thirty Days after retirement TSP will allow you to retrieve funds by:

- Withdrawal
- Installments
- Purchase Annuity

### **TSP Phone: 1-877-698-3778**

- Have your TSP account statement or Leave and Earnings Statement (LES) ready.
- The TSP customer service team will walk you through using the website.
- The TSP customer service team will provide you what's needed to help you learn more about the third leg of retirement so you can make the decisions needed regarding the funds.

## Slide Fifty-One, TSP Before You Decide

Before you exercise any available options, TSP recommends you consider how your decision may impact your future retirement needs.

*Withdrawing Your TSP Account After Leaving Federal Service* is a great TSP resource as well as the *Important Tax Information about Payments from your TSP Account*. The retirement or benefits team provides copies of these documents to retirees. In addition, TSP has wonderful calculators on the website to help you decide about TSP funds.

## Slide Fifty-Two, Thrift Savings Plan Website

Here's a screenshot of the homepage for TSP. You can enter user ID and password or set up an account to access your TSP funds. Refer to the VBA Retirement Information Training TSP resource document for more information.



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### Slide Fifty-Three, Thrift Savings Plan Funds

Information on the different funds available can be found on the TSP website. Refer to the VBA Retirement Information Training TSP resource document for more information.

The TSP website also provides information about the various funds on the website. If you're thinking about retiring, ensure you are educating yourself on various TSP funds. Even those who may be far away from retirement should educate themselves on the TSP investment process. These funds are tailor made for everyone's situation. Let TSP know what you want to do, what you plan to do, and when you plan to retire. The TSP customer service team will guide you so you can make an informed decision.

### Slide Fifty-Four, TSP Funds: C FUND

#### **C FUND: Common Stock Index Investment Fund**

**What It Is:** A fund containing Stocks of large U.S. companies.

**Pros:** Potential for high investment returns over the long term.

**Risks:** Can be volatile depending on stock market performance.

**Benchmark Index:** Standard and Poor's 500 Stock Index

### Slide Fifty-Five, TSP Funds: S FUND

#### **S FUND: Small Capitalization Stock Index Investment Fund**

**What It Is:** A fund containing Stocks of small to medium-sized U.S. companies.

**Pros:** Potential for high investment returns over the long term.

**Risks:** Can be volatile depending on stock market performance.

**Benchmark Index:** Dow Jones U.S. Completion TSM Index



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Slide Fifty-Six, TSP Funds: I FUND

**I FUND: International Stock Index Investment Fund**

**What It Is:** A fund containing International stocks from more than 20 developed countries.

**Pros:** Potential for high investment returns over the long term.

**Risks:** Can be volatile depending on stock market performance.

**Benchmark Index:** Morgan Stanley Capital International (MSCI) EAFE Stock Index.

Slide Fifty-Seven, TSP Funds: F FUND

**F FUND: Fixed Income Investment Fund**

**What It Is:** A fund containing Government, corporate, and asset-backed bonds.

**Pros:** May earn returns that are higher than money market funds over the long term with relatively low risk.

**Risks:** Bond prices fall when interest rates rise. Bonds may be repaid early, reducing your returns.

**Benchmark Index:** Bloomberg U.S. Aggregate Bond Index

Slide Fifty-Eight, TSP Funds: G FUND

**G FUND: Government Securities Investment Fund**

**What It Is:** A fund containing Government securities that are specially issued to the TSP.

**Pros:** Does not lose money; has a consistent but relatively low investment return.

**Risks:** Your money may not grow enough to meet your retirement needs or outpace inflation.



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### Slide Fifty-Nine, TSP Publications

There are TSP publications that may be of help to you and your specific situation. Whether you have a need to know about death or may be retiring but going through a divorce, most information you need regarding a particular situation can be found in one of the publications on the TSP website.

### Slide Sixty, Applying for Retirement

In order to apply for retirement, you will need to do the following:

Notify the **HR Liaison** of your intent.

Contact the **Retirement Assistance Center** for an estimate request form.

Allow the Retirement Assistance Center at least **60-90 days' notice** in order to identify any barriers that may exist regarding your Retirement Application package.

Provide the **DD214 Member 4 copy depicting honorable character of service** and provide proof of military retired pay if retired military.

Provide a copy of **marriage license** if married.

Provide a copy of **divorce decree** if divorced.

Provide legible clear copies of your **Member 4 copy of your DD214 depicting honorable duty** if a veteran.

**Do NOT use internet forms** in the place of contacting the retirement center for an application.  
**Update beneficiary forms** prior to retirement if past elections are unacceptable.





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### Slide Sixty-One, Example of Estimate Report

This employee is providing a monthly benefit of five hundred and seventy-six dollars for the spouse in the event of death and is paying one hundred and fifteen dollars and twenty-one cents each month for the annuity. This is something that we can calculate and counsel you on to determine if it's advantageous to leave a benefit for your spouse.

### Slide Sixty-Two, Example of Annual Leave

VBA employees often have questions about the annual leave payment.

Will it be all hours?

Will it be cash?

Will it be taxed?

It will be a lump sum payment and will be taxed.

Based on employee's final basic pay of seventy-nine thousand four hundred and fifty-four dollars and one hundred and fifty hours of unused annual leave, the gross lump-sum annual leave payment would be five thousand seven hundred ten dollars and fifty cents.

When you retire, there is a wait time of two to three months (or longer, depending on your situation) before receiving your full retirement annuity from OPM. Having this annual leave payment provides a cushion of available funds until your retirement is completely adjudicated by OPM.



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### Slide Sixty-Three, Leaving a Survivor Annuity for Spouse

When you want to leave your spouse a survivor annuity, your estimate will allow you to see the cost of a full and one-half annuity.

If your spouse is covered by FEHB there is a requirement of full or one-half, to secure the spouses ability to have FEHB if you pass away.

Often individuals who have FEHB when they retiree also carry the spouse on the FEHB. For the spouse to continue using FEHB in the event the retiree passes, they will need to leave some survivor benefit. If not, the spouse will be dropped from health insurance because a survivor annuity wasn't left to enable them to continue payment. If you wish to retire without leaving a survivor benefit, your spouse must consent to this, which will be captured on your retirement application.

The table consists of from left to right the alternative base, survivor annuity and the monthly cost. The alternative base of full is six hundred and seventy-eight dollars of survivor annuity and costs one hundred thirty-five dollars and seventy-three cents monthly. The alternative base of one-half is three hundred and thirty-nine dollars of survivor annuity and costs sixty-seven dollars and eighty-seven cents monthly.

### Slide Sixty-Four, Contact Information VBA Retirement Assistance Center

We have benefits specialists assigned to specific areas of the country to assist you with your decisions and paperwork regarding retirement.

Please refer to the Contact Information resource document for more information.



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### Slide Sixty-Five, Summary

Now that you have completed this training, you should be able to:

- Identify the federal retirement system and retirement types to include immediate retirement or voluntary, deferred, or postponed retirement, and disability retirement.
- Identify eligibility requirements for retirement to include creditable military service and creditable civilian service.
- Identify retirement income to include annuity computation, social security, insurance, and thrift savings plan.

### Slide Sixty-Six, Questions

Please refer to the Frequently Asked Questions resource document for more information.

### Slide Sixty-Seven, Thank You

Thank you for completing the retirement training. Please take the time to complete the course survey to receive credit for this course.