HCS HR Community of Practice - August

Testing captions, testing. 123.

Please stand by for realtime captions.

Hello, everybody. Happy Thursday! Welcome to the August session of the community of practice call. This is just a quick audio check to see if you are all able to hear. Her name is Rachel, and I will be a course advocate for this session. So if you are able to hear, set your status to agree. To do that, you can find the person raising their hand at the top of the screen, click the arrow, next to them, and the months that your status to "agree."

Hello, and welcome! If you are able to hear me, please click the person icon, drop-down and click the green check bar. I love to collect green checks. So please do so if you can hear me. Hopefully the weather is good for you today. I'm going to go ahead and put music back on. And, give everyone a few more minutes before we get started. You will hear me come on a couple more times, so just enjoy the music until then.

[ Music ]

Hello, and welcome, everybody! My name is Rachel DiBlasio Romoser , and I will be your course advocate for today's session. I am checking to see if you can hear me. If you can hear me, find the person raising their hand at the top of your screen, like the drop-down arrow next to them, and then set your status to "agree." That will let us know that you are able to hear. So, please go ahead and do that for me, whenever you have a moment.

We hope you're having a great month. And we are going to get started here, in just a minute. So, again, welcome to the August community of practice call. I'm Rachel, I will be a course advocate for this session. I'm going to go ahead and get our meeting recorded, recording started, rather -- So, here we have got a recording started.

Again, I am Rachel. I will be here with you for any audio or technical issues you might experience in this virtual environment. Um -- so if anything is happening, feel free to let me know in the chat box. Um -- and I will be able to reach out and get you squared away. So that is in the bottom left-hand corner of your window. And -- I will turn things over to Marissa to get you started for the day.

Yes.

Good afternoon, everyone. Welcome to the August session of the HR community of practice good today's session, we will be covering the employees retirement system. Please make sure that you signed in, using the correct naming convention, so that you receive credit for your attendance in CMS. Our facilitator, today, is Arianna from the retirement center. Supervisor of the retirement center. She began her career with the VA, 12 years ago, after leading a career as a high school science teacher. Her career in human resources spans a decade and employee benefits is her special emphasis. Miss Smothers-Cole, researches food deserts and writes extensively on the health benefits of being a nursing mother. She, when they, hopes to present her research, to the world health organization. I will now turn it over to Ayana Smothers-Cole.

Hello, everybody! So excited to be here with you today, to talk about retirement! This presentation is one that I do throughout the country. In the VA world, in order to give people an idea of what I should be thinking of, right now. Um -- what do I need to know about retirement? This course is not training to be a retirement person, but to give you some tools that you need. When it comes to thinking about, what do I need to know about retirement right now? Some of us come from other areas before we start with the government. And some of us have friends, who have retired. And, so sometimes we think that civilian life is similar to being um -- as one of our secretaries just to call us, patriots. You know, those of us who worked with the government. So let's get into the class. And I'm going to tell you some things., When you walk away, you're going to feel like you are ready, and like you understand more than you did when you left. First slide?

What are the topics? We are going to talk about the federal retirement system, the definitions, um -- eligibility, credible service for the military and civilian. Social Security, regular insurance, thrifts savings plan, and, we have some helpful websites. Next slide?

Okay. To be a FERS retirement system employee, it's like having a three-legged stool that, we always say that in the retirement world. And you wonder, why is that? What does it have in common with a three-legged stool? Well, next slide?

You have three revenues of income. You have your FERS annuity, you have your Social Security benefit, you have your thrift savings plan. These are three ways, that, when you walk out of the door, you know that these are going to be the way that you make your living from now on. Because, as a federal employee, honestly, you're getting paid 26 times per year. Wonderful! Great! And when you retire, you, your annuity is going to come once a month, for 12 months. So, every month, every year, just once a month. So it's something to get used to. So what we try to do is, our specialty is helping you to learn about the annuity. We are going to give you some tools about having those intelligent questions about what I need to do about Social Security. And, some basic things, you know, about thrift savings plan. Let's get to the next slide, let's get started!

Next slide?

Okay. We have three types of FERS, right now, in 2021. There is FERS regular, as I like to call it. FERS -tran16, and FERS-FRAE. How many do you know of the permutation it will be? I want you to direct your eyes to the difference about the three. If you see FERS regular, which I am, and a lot of us are, on this class, the contribution is 0.8% is what you contributed, as an employee, every pay period, to the retirement system. For transacting, it's slightly higher. Look at the scale, it says, too .1%, a little bit more, isn't it? Now, let's train your eyes to look at FERS-FRAE, it is 4.4%. So, I would say that, for FERS regular, we are lucky, because only put in is 0.8%. But, if you will notice, the Social Security tax is the same for everyone. It is 6.2%. The Medicare tax, same for everyone. 1.45 percent. But, the difference is that -- If you are FERS regular, then that began automatically, on 1.1 .1987. FERS-RAE came out in 1.1.20 13. And FERS-FRAE, in 1/1/2014. It is the same package, the full Social Security, your thrift savings plan, and your annuities, it is a three-tiered benefit. That's what's so good about being a FERS regular -- I know, for the 0.8%. Next slide?

I'm going to talk about some definitions of different types of retirement. We are really here to learn things that we probably didn't know. In immediate retirement, that is called a voluntary retirement -- That is one that is just simply based on your age, and a number of years of credible service. To be a deferred or postponed retiree, that is when you're actually resigning from federal service. And, you are going to call when you're a eligible to collect, and you can say I'm ready to start collecting my retirement. You are someone who may have had to resign and work another job, let's say, like Google, or work for Tesla, River you are working. But, you want it to not touch your retirement benefit. So you didn't get a refund, you let it sit and call them when you are of age. So deferred or postponed retirement is really a resignation. But once you contact OPN your income retirement beneficiary. They provide application to retire, similar to what our office here in Jackson Mississippi does for you when you are eligible and have years of service, and we send you the application, and you retired through us. So deferred or postponed is you're going straight to OPN. The next type we have is a disability retirement. That's when you become disabled while working for the VA. And it's expected to last at least a year. And you have documentation, and her doctor thinks it's a good idea. The agency will allow you to retire, if in fact OPM has considered your application and approved it. That's another type of disability retirement. That's another type of retirement. So, next slide?

I like to give you this slide. It gives you a broad brush. You will get into detail, mostly about immediate and MRA +10. But this slide, in particular, a lot of people fall within certain criteria of having the age and years of service as an immediate voluntary. Some fall between 62 and five years of service, or 60 years old and 20 years of service, or their minimal retirement age, and 30 years of service. Immediate volunteer retirement, that is the one that most people aspire to have. The MRI +10 retirement is one, where you are going to have to leave early, and, something happened, life happened, a child who had to take care of, a payer into that is ailing, a parent in need, so in those instances, federal employees are so happy to be able to leave, because they are not quite that 62 and five years, or they are not 60. What they did reach their minimum retirement age. Disability retirement is any age. All you have to do is be an employee for 18 months. And again, deferred retirement, deferred retirement is really the resignation. And this is a table showing the ability to call and collect. I'm ready to get my application, if you are 62, or your minimum retirement age, if you had 30 years, or your minimum retirement age, but you had to resign at 18 months, and OPN is going to retire. So, I want to do our first question number one, it's a knowledge check. For everyone, I love to do these, because I used it to be a teacher.

So what year did FERS regular begin? A, 1/1/1984? B, 1/1/1987, C, 0/1/1/2014, or no vote?

All right. I think we have enough, I think we have enough, Rachel, that we can close the vote. Okay. As you all can see, the correct answer is 1/1/1987, that is FERS regular, that is when it began, 1/1/1987. You all did good .60, 82%. Wonderful. I love to do these knowledge checks. Let's get back to the class. Good job!

So, the next slide, we are going to find out what is my minimum retirement age? This is some wonderful information. I would love to see this. Look at the year you were born, then look at your minimum retirement age. I am a Gen X'er, I am so far away from my date, do I have, yeah, I at least have 10 years, but I'm very far away from being 57. So, this is the most important slide that employees coming back and tell me, I'm so glad you put that up there. I never knew that. I did not know would be eligible in my 50s. I thought I would have to work until 62. That is why this class is good. It gives you information, so that any misnomers or things that you thought were real or not. Things you thought, it is about the knowledge. When you know better, you can do better things.so, I want everyone to put in the chat box right now, your MRA age. I want this to resonate with you, and, when you walk away, you know to type, you looked at this slide, and you know what you are. I'm 57, and I see we are getting a lot of typing in there. Remember that number, because that number -- Although some of you may think, I'm going to make it all the way to 62, but things happen. You may get disabled, sick, anything could happen. It is such a wonderful benefit to have MRA +10, the ability to leave early and not have to reach the full total retirement age. So I always liked this., Minimum retirement age. Remember that, class. Next slide?

I'm going to get in to, well, what is the downside of MRA +10? It sounds fun, like I can leave at 57, but guess what? Your benefit will be reduced by 5%, each year, that you are under the age of 62. So, that percentage of it going down, 5 1/12 of 1% per month is like a disadvantage, because reduction will be forever, even if you get 62, left under MRA +10, then you were allowed to leave early, but that 512% is there, it's permanent. I was able to take care of my mother, I don't care, I will take the charge. The retirement assistance center, we give you an estimate of how much that will cost you. You have to weigh it for yourself, is it worth it? Is it worth it? So, the disadvantages, I want to tell you this -- Well, you are going to be waiting for Social Security until 62. My age is 57. What if I left at 57? That's my minimum retirement age. And, I have to wait for my Social Security until then. So that 5% penalty I'm going to get, I will have to stay that and just live off that. So that is a disadvantage. And, also, you are not eligible to get the first annuity supplement. That supplement that people, who are under 62, but were eligible for full retirement, they get that. But if you are MRI +10, you did not meet the full requirement for full retirement, so you are not going to get that. And if you withdraw your money early, you know they're going to come with it and say, this is how much you are going to have to pay, Ms. Cole, you are leaving under MRA +10, your only 57 -- But I as I said, some people feel it's totally worth it. Next slide?

FERS supplement, some of you know what that is, and some of you are like what the heck is that? I have never heard of that before. I hope this woman is going to expand this to me. [ laughter ] well, I am. A FERS supplement is how OPM accesses the bridge for you, while you are um -- waiting to get your Social Security. Because, remember, for a first supplement, you were eligible for a full, voluntary retirement, and you may have been let's say, 55, not 62, and you were ineligible to get Social Security at 55, so you are depending on that annuity, only being paid 12 times per year, you're depending on that. So, what OPM does, in about three to six months after you are retired, you are going to see that FERS supplement kick in. And we can show you what that amount is, if you provide us with your Social Security statement. We will put the data in our system, and we'll give you an idea of what the FERS supplement is. And, I have a slide that shows an example of it. So let's say you're making 1055 years old, because you are full, voluntary retirement. $1000 in your pocket, three to six months after you retire, here comes OPM saying we are going to give you your supplement, we calculated it, we have completed your supplement amount, and we know how much it is, we are going to give you $1400. So that you, as a retiree, it would be $2400. And you will receive that from 55, up until you turn 62. So a FERS supplement is very advantageous for those who are younger than 62, when they retire. Because as soon as you turn 62, OPM is going to say, okay, Ms. Cole, your 62, we expect you to apply for Social Security. I get so many calls from former retirees, who say, this was so great. It was so good to have that FERS supplement. Now I'm on Social Security. It was so nice. I get a lot of calls back. So, this annuity is similar to the Social Security benefit formula, the way figured it out. And we will get a call saying it is good at factoring in how much social security supplement will be heard so, you want to know, what is the downside -- I want to reiterate this. Didn't retire with the full age and service, I will repeat, MRA +10, you did not get the full voluntary civilian service with the age, you did not meet the full criteria the resigning, because you are not staying long enough to reach that full voluntary retirement. And, so, there are those who will not be able to get a FERS supplement. This is only for those who are eligible for a full, voluntary retirement, and are under the age of 62. Let's do our next number two knowledge question. I just want to make sure you are paying attention. Question number two, we are going to go to the chat box on this one. What does MRA stand for? I want everyone to put it into the chat box. What does MRA stand for? Oh, here you can answer it, here. What does MRA stand for? I am loving these answers. Wonderful, y'all are such a good class! You'll pay attention. And I waited to ask to make sure. Wonderful! This is awesome! Everyone, yes, we can end the pullback poll. Minimum retirement age, yes, so, so good! That's why I made you type your age in the chat box, that's why entering to drill it home to you. You may not think about it, yet, or even considered, even though you are learning what it was, but when do it may be advantageous that we went over it. Next was Social Security statement we would need for those people, who are eligible, when you ask for an estimate for office, we are also going to need this, a copy of your earnings record, because we literally data entry every salary you ever had on this form, and it allows us to tell everyone eligible for voluntary retirement, and they are younger than 62, it allows us to give you an actual number that will help you figure out, if you want to retire at 55, or, how much will I make? And should I?

Well if you give this to us, we can help you answer that question. Next slide?

So remember, I promised I was going to show you an estimate that showed what a supplement looks like? Looks look at our guy, "Andy to go." Optional retirement annuity, that is without any deductions, like his health insurance, or life insurance, $4084.98. But I want you to turn your eyes to the take him, $2750.38. If you have met all the time and years, you are 55, you are raring to go, you are ready to go, three to six months, OPM is not just going to give you the 2750, but they are going to add $1324 in Andy's case, to his check. So, three to six months he will know what he has to live off of, as an plea, who is eligible for that first supplement. See there? This gives you an idea. This, ladies and gentlemen, is our estimates we give you. You have to tell us, what are your health insurance coverage, what are your life insurance wishes? What do you want to take with you? What do you find affordable? Give us your dental plan, and the specific about it, and your vision plan and be specific. You will us know how much in taxes, and we can compute for you, how much monthly annuity is. The net monthly annuity is what you train your eyes to, so you know what I'm taking home in my pocket. If you are lucky enough to have a FERS supplement, then yes, you get that Social Security statement, and you will see how much that is worth. Next slide?

All right. We are going to talk now about credible military service. Credible military service is an important thing to include, because the VA is, we are heavy on our veterans as being a part of our employee staff. A lot of agencies can't, so this is a portion, we want to make sure we speak to them and speak to their needs. If you're not a veteran, maybe you will know a veteran who works with you, who may need to know this information who is not in the class. So it's beneficial to us all to help our veterans understand anything we can, possibly, about edible military service. So, let's get started when you are a veteran, and you provide your military earnings, your estimated earnings, and you bring your DD214, or your orders showing an honorable duty, and the dates showing your active military, we can provide you an estimated amount of how much of cost to purchase that time. These deposits are sent in, and we can do payroll by deductions, or you can decide to wait and go to pay.gov.little letters they give you, gives you an identifying number, or you can go to pay.gov. When you want to apply for military service deposits, these are not going to the local stations. Or go to payroll for it, you have to come to retirement assistance. No money, just these forms. Because you will receive directions on what they need as far as here is our address, or, pay.gov, no money changes hands. We do that entirely through our office. And they have remedy tickets that honestly, they take while, they say 30 days to, they will let you know if there is delay or whatnot. But a lot of times, it can be way more than 30 days, working days. It can go to the 50 days. They can take a while. That's why, during these classes, if you're a veteran, tell them start this process very soon. Next slide? And, so, we say start it soon, because quite honestly, sometimes you may not have all that we ask of you. Sometimes you may not have a DD214, it may not say character of service, you may not have orders, you may have to go to the armed services to collect them and ask them for these documents, because he cannot move the needle if you do not have everything ready for them. Something to go to Army, Navy, what we give you at the retirement center is a little welcome package to show you how to do your part. And, once you get your part, then we can do our part. Reserve time, such as 15-day annual training, that can be deposited. Active duty that was used for the commutation of retired pay, even that can be bought. Sometimes without waiving. It depends on how it was awarded. Member, I kept saying, you have to go back and get those documents, because those documents are what we are going to have to provide? And these documents are going to be part of your application to retire, because OPM goes through an incredible service, potentially credible service you have with a fine-toothed comb. They don't just say you pay $5000, great, you are paid in full, no. OPM actually looks into the fact of where they write to let you pay? Was the agency correct X if not, we are going to make sure you get a refund. We are going to take that credible service from you and make sure that you were able to pay it, and they are looking at those orders, and they're looking at the USC and chapter orders. That is why it is good to let us know early. The military service, before you leave, you have to, as an active employee. OPM tells us to be prepared for when it comes, be prepared six months of needing to retire, try and get to work on it. It's really good advice, because it does take long. Sometimes it takes long to get orders. That is the employee responsibility. Like you really do have to do it. Definitely aren't trying to be gatekeepers. We just know that we have to do our part. We tell you the truth about what you're looking at, or what you are providing. We have to be honest with you. Sometimes it's not good news when we look at something that says it's uncharacterized, and we tell you OPM will not give you credit for that. We have to let you know what the parameters are. Next slide?

So, let's talk about the numbers, when it comes to military service deposit. It is based upon percentage of your basic pay. Usually 3%, plus interest. And the law gives you like, 03-your grace period. Three years with no interest being paid at all. If you were first employed, and you start making your deposit, you get all this stuff at the front end, within three years, if you pay off every dime, you have paid no interest at all. Until it is paid in full, interest is going to creep up.so your military service deposit, as I said, OPM prefer you give it the six-month period. I spend time on talking about it, because it is so important to know that it's not a quick process. It is not an easy process. All the copies in front of you, every order you had that you can purchase right in front of you, and this time that we have, employees here at the retirement center, that is you getting counseling on them giving you an opinion, on if the purchase is going to be able to, if it's going to be able to be purchased. That's part of what they do. They take out the books, let's say you were hurt due to instrumentality were, they are checking that making sure it's correct and everything matches before you even get to the DFAS process. Very important. Next slide?

I said a little bit just now about military retired pay on one of the other slides. The reason why, is because there is, under certain chapters, the ability to purchase it, and still get your tired military chick. That's not always the case. Again, that is what my employers will have to help you secure and find out. Sometimes you have to waive it, and I've noticed in the past few years, people are waiving their military retirement pay that was back in like 2012, 2010, when that just was not happening. Now, more and more, people are waiting, should I waive the military pay, will it be advantageous to my family? My check is going to have more? Will I have better living if I were to waive it? These are very personal decisions, but what we can do is help you figure out, are you an exception? Part of that is having absolute documentation, proving that, yes, it is. So, remember the copies, also, remember those characters of service having that for us, wonderful. Your military retired DD214, we need that, your dates of service, we need that, to see what the chapter is. It is our job to advise you correctly. If we advise you everything is great, you can pay it, and he gets to OPM, and they say yeah, you paid it, but, you know, you are not an instrumentality of war, Mr. Jones, that's not something you want to hear on the back end. That translates into money. Actually, I had one gentleman, who, he told me, yeah, I was in instrumentality of war, yeah that's what happened. And I was a new, very green specialist. And he said it is in my garage somewhere, and he retired, and I was never able to see those orders. That he was under the chapter that involved a mentality of war. I never had it. I just said, sent in the application and told him he was going to get it. Two months after he was retired, OPM called me and they are like are you sure about this? Do you have anything? Recite your memo. Did he provide postretirement? And I said oh, let me call him, I'm going to call you right back. Then I called, my employee said, does that really matter? Do I have to provide that? And I am like you, OPM just called me, you said it was in your garage. Did you find it? I can fax it to OPM today. You know what happened? He said, no, I don't think I am. And I was like, oh my gosh. I should have done your estimate. My estimate would have shown that is $400 less per month. You're going to make $400 less. And he said that's all right. And ever since that day, I will never forget to make sure that me, and anyone who works in my department, nose, these have that augmentation, because OPM will look into it. It is something I will never forget. Let's do question six, class. After our story, we are going to have another knowledge check. This class is so not boring, like other classes. Question six, how many years is the interest free grace period for purchasing your MST, class? A, three? B, for 4? C, five? I am so excited. Oh no, let's vote. Everybody vote. Okay. I guess we'll close it. I was trying to get 100%. So, class, the interest-free period is three years. You all did very good. I'm very proud of that outcome. Okay. Let's get back to the class. I love these knowledge checks. It lets me know everybody is totally involved.

So next. So, now we know about important, the importance of documentation. That in the end, DFAS could miss it. A young green specialist, like Miss Cole, could miss it. But you know who is not going to miss it X OPM. They are the auditors of us all. Let's talk about credible civilian service. They say okay, I have 40 years of surface, and I have all this sick leave, and I know my time is, because I look at my SF 50, and I see my leave, and I know I have this many years. Well, class, what we do in my office is, we have to look for all credible civilian service. Every time pay was subject to retirement deduction, that is our goal when you tell us when our estimate requests, you have 1200 hours of sick leave, we are going to calculate that into our system. It is all part of what is credible for you with the annuity computation. So we need that. We are looking for all credible service. Something that most people do not realize is that when they were performing service, before 1989, and their pay was not subject to the FERS reduction, that time is called FICA time is it credible? Yes. But guess what, you will have to make a deposit with OPM, and OPM works at six-month intervals. Once you get an estimate, then we give you the estimate, we are going to give you a form, and we are going to sign it, and we are going to submit that to OPM. Honestly, to the credible service, OPM tells us do not send these if you're not six months out from retiring, because the right hand is not going to know what the left hand is doing. So tell your employees, prepare for that six months before they retire. Is paying for service that you did not get credit for. But when you look at your SF 50 and the lead, it is giving you credit for it. You're getting credit for all that time that you were in the system as an employee. When you come to us for retirement, your retirement will not be the same, we won't be able to mimic federal time that may not have been purchased. Or, may not have been credible, which we will see on our next slide.

When you are working, and a lot of people do, and they have no idea this was a deal, when they are working up to 89 and they purchase it, great. But when they see that there was a time, there was FICA time, and it was after 1989, you are working at the VA hospital, that they were cutting the time off at 1/1/89, for those who had a FICA time and were only paying into Social Security, their amount to buy stopped at 1/1/1989. In 2020 there were rumors on Capitol Hill they are thinking about changing that and making you eligible have to pay after 1/1/1989, but that is, it has not happened yet. So it would have to be changed into law. So for now, anything after it, you cannot purchase it, because that is a time when the contributions were made. You were only putting in Social Security, it counts in your leave, when you look at your leave and it can be a little bit of, it's not going to count for retirement, and that's what we help you kind of iron out. Now, the other thing that I want to talk about is leave without pay. Leave without pay! Leave without pay is something that you hope you don't have too much of it. Because if you have six months in the calendar year, it's credible, and it's fine. And it's still credible. But, if you start to creep days, weeks, a month, over past that six-month mark in a calendar year, that's when my office is going to be looking hard at your auditing record, making sure we are accurate in looking for SF 50 to make sure if you leave without pay and it goes over it's going to change all of your SED, it will change your retirement. When you are going to your liaisons and letting them know here's my Dr. stuff I'm leaving without pay, all this has to be documented, coded in the system, because when my employees looking to, we are going to be looking for any unpaid SF 50, so it's very important when you are talking about credible service we want everything writing your record. We want to make sure not just to have a surprise, we want to know how everything is looking. That is why five years before you are willing to retire you might want to look into these types of things and maybe get in contact with us. Next slide.

The sickleave I was talking about, that leave is credible towards the calculation. Of how long you have been with the government. So, sickleave counts in increments of months. The days fall off, a lot of times, in VA they say what are the days, are my days going to count? No, only in months. And, I think it is like 178 hours, I have another slide that will show that. But in increments and people retire, they say I'm going to take a mental day, I realize I have three months and eight days, 15 days of sick leave, I think I'm going to take a mental day. Which, that is your business, but people always want to make sure they are giving us on our estimate request more of their sickleave, because they know that is counting towards how long they have been with the government in increments of months. Now you know. Next slide?

This is that sickleave conversion chart I was showing. You may see the hours on here, is it 174? It might be 174 at the top, there. But that conversion table shows you that per month, whereas hours, is how you can kind of assess when you get an estimate to see if there are days you are losing.

Okay, I already did this, but they are not taking four months. It used to be at the four months. If you want the current turnaround time, it is six months to get those deposits. And re-deposits are when you get a refund of your retirement, from the 80s, and you took it to be deposited, you took $2000 out, and you came back in the 2000's, you are working until you're 62, guess what. Give OPM six months before you retire to say I want to make a deposit on that, or I want to make a deposit. I say it again. Give us money, you'll get an invoice from OPM. About six months after the process. Don't mail a check, you would be amazed how many checks come in the mail to our office. We do not accept any money. We are going to make sure OPM gives you the memo on how to make a payment. Next slide. We have talked so much about MST, civilian credit, let's talk about how does OPM come up with that? How did they come up with the number? Our system is BRB. And we use by simply just looking at all your SF 50's. We are looking for three consecutive years, no matter when they were. We have some who will tell us on the front end, oh yeah, I made a lot of money in 2000 to 2005. I make way less money, now. That is some information we need to know. What we are going to do is capture those three consecutive years whenever it was. A lot of people have this idea that it is not your last three years. It is whenever your highest years were. The formula is your age, the length of service, credible service we have been talking about. Audit days are dropped, and the average salary, where basic pay, and that is regular. Premium for all of this. We are looking at all of the average rates, that total salary you made, basic pay doesn't include, and a lot of you have worked overtime, well we can't go on that overtime and allowances. OPM is looking for us to match what DFAS is going to do, 3100 when they coach you out. They are going to make sure it matches. They are going to say, okay, the retirement center, match that total salary. If we don't match, OPM will call and say, did you know that DFAS did not match? They are not saying it was 64, it was 65. The annuity competition is we are not for that, we provide an estimate based upon those I consecutive three years, and the total salary, and we submit that in your package in the form of an estimate to them. What they are looking for is our estimate matching, not that they will call and ask us, but that is a basic breakdown, a layman's way of understanding what is the annuity competition that OPM does? Next slide. This is an example I give people. I know you hear people say, oh, it was better, I wait till 62 get more money. Yet, if you're 62 or older, 20 more years of service, it's the 1.1% that you get within your first form. That is why people always say that. If you are less than 62 years old, and even if you had 20 years, if you are less than 62, it's going to be the one percent. What is the FERS basic formula? One times high three years of service times, so for high 3, because she is not 62, she is 21 equals $500, times 20 years of service, gives her $10,000 per year. That breaks down to $833 per month. That is someone who did not quite make it to the 62 years old with the 20 years or more of service. Next slide, we are going to show you another example of a guy who is well over 62. James is 65. Notice the 1.1% makes a difference, because his total money per month, everything was the same between them, but their age. $916. And you have to make a decision when you are saying when I should go. Is it worth me getting that 1.1%, or am I done at 61? My through? Can I make it? These two slides is what I give people when I want to show them the benefit of what they have heard about the benefits about the 1.1%. It is so great to make it to 62, so I want to ask another question. I will put it on our screen, question number eight. We're going to go back and make sure everyone is paying attention. I want to bring this home to you all. If an employee has over six months of leave without pay in a calendar year, the time will not be credible for retirement purposes. We are going to give you a minute to answer. We are looking good out there. Is it true or false? Remember, if an employee has over six months, over six months of leave. Leave without pay. I think we can close it. I think we are pretty good. We are pretty good, yeah. 93%. Very good. Give yourselves a hand. Member what I said. Over six months of leave without pay, remember everything changes. Everything changes. If you have over six months of leave without pay, the retirement has to be recalculated. The leave SED has to be calculated. Even if you are changing it by days, five months, it is our job to make sure you are good stewards of your record. We are going to make sure we are doing our jobs, and we are making sure that everything is accurate. Next slide?

So, let's talk about what are things that could change annuity? Well, first, retirees, they can't get the cola unless they were 62 at retirement. The 55-year-olds you were talking about, eligible for full retirement, supplement, they won't get that cola until they are 62. And a lot of people get us confused, but we have to be 62 to start getting our COLA 's. So it changes your life. That is why federal organizations make sure they are getting their COLA's and that they are getting as high a percentage as they can get. It is a real deal when you are a retired person. When you retire from us, that is how your money goes up every year. And every little bit counts. So, deductions for federal taxes, you know, that will change your annuity amount. You can decide, you know, how many exemptions do you have, single? Married with two? However you pick to choose to do your taxes. And you know how we do my pay? Retirement services online at OPM? They have the same mechanism of, where if you log in with your OPM password and username they give you? Eight weeks out from being retired, you will get letters explaining you manage your retirement online. These will be changes to your annuity that you can actually do online, just like my pay. Every state does not get taxes, I get that, but your state tax changes would amount you will be. Just because you are retired does not mean you cannot hop around from when health insurance to another. You can pick, you can go cheaper, you can move around, especially when you get Medicare part a eligible. You can say I'm feeling less stressed, high bona fide, the cross blue shield. I think I will go down to a cheaper plan. I think I will, you can make those changes, because they change the amount of your annuity. Those deductions taken out at OPM, deductions of your wife insurance, that's another thing that changes the amount of your annuity. That's why in our estimates we try and give you sheets that will show you and slides that will show you the different prices, so you can make an informed decision about your life insurance. Next slide?

So, everyone says the best day to retire is the last day of the month. You don't have to, we are just duty-bound to tell you OPM says your first check might be late if you don't. How late? No one called us back and tells us. You had to go on your lucky date when you won the national championship as a basketball player to beat Kansas. You pick that date, and when did you get paid? We are told there will be no late checks, you will be timely, if you pick the last day of the month as a first employee. So the retire date could be 8/31/20, and the annuity begins 9/1/20. Nice and neat. If the 31st is like, I don't know, Sunday, or Saturday, of course they don't expect you to go on a Sunday or Saturday. Those who are leaving in October, the 31st is a Sunday. Those who are leaving in, those who left us in July the 31st was a Saturday. They did not have to come to work on Saturday. The day the building is open, and that can be their last day. The 31st and the 30th tend to be the last days of the month. But, OPM, yeah. People who work outside of government, they know about terminal leave, and they are like hey. Can't I just be off for a year? Furthermore government can't let you do terminal leave, but this is something if you're trying to pick a date. Next slide?

November, I'm telling you we do subject matter experts about retirement, your annuity, but we do get a little bit into the knowledge you need to know about Social Security. Going on my Social Security.com and finding out what your Social Security payments will be is something that you need to do, as he returned to prepare for retirement. Because only you can figure that out, because you can go on my Social Security.com and figure out if that is money good for me or make a decision, am I going to collected at 62 or wait till 70, the latest you can possibly wait? Social Security is, they go hand-in-hand. Come get a counselor of ours, here at the retirement center, there are counselors at mysocialsecurity.gov and get appointments set up in your local area. You can talk just like with us, figure out when I want to retire, how much money will be. If I were to leave the federal government at this time, or that time. So I love this website. This website will ask you questions to verify it's you, but Social Security knows things about you. If you're able to answer their questions accurately, you can set up an account. And I suggest everyone does. Next slide?

Remember I was talking about wait until 70? The oldest that you can delay receiving it is 70. So, when people say I'm going to wait, I'm going to collect, the monthly benefit would increase anymore. It stops at 70.so most of you will be 62 to 70. So that is what you talk to your Social Security counselor about. What is the best for you, after you go on Social Security.gov, after you know what your Social Security will be, at what age. Talk to them about what will it benefit me, the longer you wait or the earlier? You never know. And that is Social Security, those credits, and getting counseling is so important. Just like you're going to talk to us. We will give you what you need to know on our end. Your benefit is something to consider delaying, just like you talk to us, should I delay retiring, even at 55? Well, let's look at the money, and let's talk about this. What is best for you? Next slide.

So there is a link. And I know you see some links. If you go straight to the SSA.gov, there are so many different links. But if you want to figure out when you collect it, and definitely go the full Social Security age link and find out, um -- and C when to start receiving retirement benefits when you go on socialsecurity.gov. My employees think that is very helpful. Next slide?

Most of us are probably eligible for Social Security, because you only need to work 10 years. Ever buddy on these classes are people who are within five years of retiring, or they definitely have worked for 10 years, because that would help you earn those 40 credits. And those 40 credits, you know, we mean, that what age did you start working? When did everyone start working? Because if you show us your Social Security, it's going to go back all the way there, when you show us a statement, like if you will be eligible for the retirement, wow! I had to get permission from the mayor of New Orleans to work when I was 15, in Louisiana. We are on the Napoleonic code. Some of you were even younger. So that goes all the way back from whenever that was and let you begin working, those years you were putting in, and you were to give us your statement? That will go all the way back there. So, next slide?

I want to talk about the eligibility for life insurance. What do you do about your life insurance? What are your choices when it comes to basic and life? I will often find that people don't even know what they actually have. They don't even know. And I'm telling you, look at your 50s, ladies and gentlemen. On your 50s will show you what you have. People get an estimate, have no clue. You have to have your insurance at least five years prior to your retiring consecutive Camino? If you have basic life, you can keep those optional's, but you have to have this option is for five years. A lot of people got back in 2017 when it started. Letter a is standard, B is additional, and see is what you have for your children and your husband, all right? Or your wife. Next slide.

So, the life insurance coverage. You can take it into retirement, our exhibits estimates will give you the cost. Many have a misnomer that they cannot actually carry it, or they think they can have less than five years and carry it. But, no, these requirements to be eligible are things that we will counsel you about when you are in the process. And, we have to look at all of those forms. We have to make sure that the FEGLI was coded correctly. We have to make sure everything matches and is up-to-date and correct. Because ladies and gentlemen? Sometimes there are things you signed up for that you are not paying for. Or there are things you thought you had you don't have. Sometimes this can mean money. Sometimes this can mean you half to catch up payments and see if you can get it. You will remember, I said master auditors, that is what we are, we audit everything, and we help you find all the answers to anything unclear in your record, we are going to find it. We are like bloodhounds. Next slide?

So remember was talking about the basic, option a and option B? This breaks down the prices. You look on your own SF 50, and it will tell you how many multiples you have, or if you even have multiples of your option B, which is multiples over your salary. Option a is $10,000. After, it goes down until only $2500 left. Some people say oh, $10,000 is no money. This doesn't even cost me anything for the $10,000. Guess what? It is still going to go down to $2500. It is like a freebie, actually. And option C, some people look at you are 50, there are options for if you no longer have a spouse should make sure you're not paying for a 30-year-old kid who is aged out. Get your documents and make sure that everything is accurate, especially when you are five years, thinking about retirement. Next slide? This is, again, a breakdown of what we are going to ask you. We are going to ask you about 75% reduction. People of 75%, because it's free, if you are 65, or when you turn 65. And we show you that on your estimates. Next slide?

Here's the wonderful SF 50 I told you about. Everyone, please, please, please, make sure you're paying attention to what is on your SF 50, especially your last SF 50 when you got your last raise. Make sure it is good and accurate. Next slide?

You can carry dental and vision, and if you did not carry it, you can as a retiree. On all our applications to require, we say call requirements. You're supposed to tell benefits hey, I am retiring at the end of August, and they will say okay, pay us our 40 dollars until OPM takes you over. So benefits is your first call when you are retired. Let them know. You don't want anything to slip while you are in the process of retiring. Everything is consistent. There are no gaps in coverage. If you want to keep your health insurance everything will go through. Nothing is going to have a gap. Dental and vision, it may, you have to call 877-888-3337. Next slide?

If you have federal long-term-care, just like dental and vision, you must call them.800-582-3337. If you have federal long-term-care, put in the chat box if you do. If you do, just say yes. I was like to see how many people are on that. You have to let them know -- Oh, we do have a few. Wonderful! We always have zero to one. Next slide?

So, this an example of the estimate report. This is another example. This person doesn't have the first annuity supplement. This person is just a straight-line report. I just want you to pay attention to we let you know what your total service credits are. If you have 800 records in your, that is what we are looking for. We are looking at every piece. When you give, when we give you that service credit, we want to make sure it's correct. And, this is the first page of your estimate report, for those of you who have never seen one. Next slide? This is the second page.

It shows you what your choices are for life insurance. 75%, 50%, no reduction, do you see the change? It goes from 32 to $96-$226.this is something we can cancel you want to figure out how much out-of-pocket you are going to pay. Look at this guy. He has option B, when multiple of his sorry, no reduction. He sees his retirement is $110 X at 65 acres to 131, 75, 382, and when he is 85, 509. If you are shopping for life insurance, then you may want to get your estimate and see if you are depending on this for your spouse or your beneficiaries, then you might want to scale down here and buy your own. These are all decisions that we make, and you can make, once we do our part, we will let you know what is the annuity like, what is my life insurance going to be? Next slide?

This is like our last page. It shows you how much you are annual leave is worth. Whatever annual leave you have in the books, that is what you live with when you retire. Mystical will be doing the same thing when she retires. I sure will. I want as much money as I can. Because the wait time for OPM to finalize my case, you know, it's wild. They tell you they can take up to three months for your first check. So I want to make sure I have everything, my ducks, in a row. I'm going to talk to social security, get an estimate, I'm going to see what my options are for buying an annuity. I may do that. I don't know. But, those decisions, you definitely should do five years prior to retirement for sure, looking into it. Next slide?

So, I have shown you all the GRP reports. Let's go back to looking at what I'm talking about, looking at your 50 office. I keep bringing this home, only because a lot of people do want to wait to get to retirement and find out you were under the wrong plan. Next slide?

The health insurance. I talked about continuing that into retirement. You have the right to, but, you have to have it for five years prior to your retiring. You don't want to have breaks in service, or times where you didn't have it. We are looking at the first opportunity to enroll that you have it. Are you covered? Because if not, you will lose it in retirement. Now, um -- a lot of people, who have TRICARE, that can count towards your five years, if you had FE HB at the same time. Some people wish to waive it, and that is certainly a choice you can make, once you look at the numbers, what is good for you? And if you are retirement check is not enough to pay your health insurance, we can send you a coupon, just pay us $50, and the coupon book we give you will go up. So next slide?

What can you do? What kind of things can you do after retirement? Well, if you want to cancel FEHB, you certainly can, after retirement. Let's say you go one year and say I don't want to do it, you say, you know what? I want to suspend it, because I have TRICARE, and I might want to suspend it. Maybe at a later date, I may decide I want to pick up on it, these are things that can change the amount of money that actually have in your annuity. So these are things you can do. When you are eligible for Medicare, these are things that can happen. Next slide?

So if you are not eligible, you have 31 days before it terminates. These are things you need to talk about. Is it worthwhile for you to stay longer, or not? Some of the things that we talk about, or will you have to elect for TCC coverage? That's another option for you. If you are not able to continue FEHB, that's something that definitely is a big life decision, as far as when you're going to leave. Is leaving is voluntary. They will say oh my gosh, I did not know I was going to lose my 13. When they talked to their liaisons about what TCC looks like, they say I don't want to do that. So again, these are options, things that this whole class is just making me think about it, ahead of time. Next slide?

So what do you do when you want to apply for retirement? First, notify HR liaison of your intent. Give us 60 to 90 days notice, so some of the barriers, like the stuff we talked about in this class, instrumentality of war documentation, you may not want to have to waive it, you may want civilian credit for the military time. Or you want to fix something we found that was a mistake on your FEGLI. There's a refund becoming because of a mistake. We will process it however you give it to us, but 60 to 90 days is definitely what we need. When you retire from VA, you give us your application. We cannot even send it until 30 to 40 days retirement. Someone wants to go until September, we cannot even send it until August 31st. Then where do we send it? We send it to DFAS. It takes 30 days to out process all your payroll functions. So, if I can get it to them at August 31st, they keep it until the end of September. Then they mail it to OPM, after they take their 30 days. Someone who is leaving in September 30th, someone who is leaving, 30 days is what DFAS is going to hold it for. Then you will usually hear from OPM. A lot of people think I could get you five months in advance, but that's not good. I don't want my application sitting. I don't want it sitting if you can't send it 30 days before retirement. I want to make sure I treat everyone the way I want to be treated. And my gosh, I don't want mine too early, so I will suggest 60 to 90 days is when you should send them, or even request one. Because, that gives us time to iron out anything and still send it 30 days ahead of time. Next slide?

We have OPM websites. These are all ballpark figures. opm.org Is a great place to go for more information. OPM is a good source for things involved in estimates, calculations, you know, not just our B system.

Update your beneficiary forms with your liaison right now. If you are retiring, leading in October, and you are sending us your application, with your new 2023, something happens to you, and you have an ex-spouse on there, they are going to get the money, and they are not going to try to guess with what you meant to do. They will go by what is by form, by what is date-stamped. OPM is not going to get it until DFAS is finished closing out with your payroll functions. So that's another 30 days. So, please update your beneficiary forms. Make sure you have all the proper people on your forms. Next slide?

TSP, I love this website. I love to get estimates from them. Over the phone I get them, I have my 50s in front of me, and I get estimates on how much an annuity would be, and I give them a projected date that I want to retire, and they give me an amount of money. And I'm slowly going up higher. Sometimes it feels like I barely make it. But I just keep telling them put in the work. If you want to give annuity, it will go up eventually. This, the people just like mine, they are wonderful. They will help you understand more about TSP, and they are very patient. Next slide?

Look at all the funds. I like to talk about the funds I'm in, my age, and what is the best choice for me. Number the three-legged stool? TSP retirement fund from OPM and Social Security? This is another place you need to go find counseling. Next slide?

And these are just publications that, you know, I just publications that you can find under the TSP.gov website, just, how to withdraw. Next slide?

So, after you retire, I've given you a lot of this information throughout the retirement presentation, and, you will have a CSA number, but you cannot get your CSA number until OPM has you in the system. So a lot of people, when they are retiring, they, they are not going to have that CSA number a month after they are gone. They will probably have the run at 45, maybe 50 days. And remember, OPM tells us three months for the first paychec .and we never know who it is going to be. So make sure you are expecting the CSA number not the month after you retire. They won't be sending you a letter, your conversations with us are probably the last conversations you will have before your check. We will give you an announcement letter telling you what to expect. OPM, later on, like, maybe closer to the two-months, you will get closer to the online presence, and they will have information and monthly statements, but, this all happens post--retirement., OPM says three months, so some of this doesn't happen until then. Next slide?

We are a team, I have an assistant, Mike Jones, he is an HR assistant, or, you can reach out to Victor Ellis. His email box is how we do most of our communication. Next slide?

We have a small team. I just hired a new person. I am so happy to have Ms. Shawanda Jackson. We are a small team, and there is so much knowledge here. Some of us are 15, 20, 18 years, it's a lot of expense. When you are getting counseling, you are getting the best we have to offer. Next slide? And I love to do this picture. Set your minds on things such as this. Keep your mind on retirement, and think of the blue seas and oceans, because it's coming here for you, and this class is to get you in the frame of, I need to talk to TSP.I need to talk to Social Security, and I need to find out how much money I'm going to make. And that is all we can do. He will, we will get into some questions. Rachel? I will let you take over.

All right, thank you so much! I'm going to put up the question and answer box here for us. If you all would like to submit your questions to the right of the chat box, we will be able to organize them and get them answered for you. You can also download the slides from underneath this box to the right of the chat. If you click on the choose VA PowerPoint slide and click download files, the button underneath that, you can grab the slides from today. If you have any questions, please leave them in the question and answer box. There should be an area for you to type to the right-top of the screen, and the slides are under that. Thank you all, very much!

[ Silence ]

Okay, Vicki said if you're spouse -- Let me click on it, does this mean they would not be eligible for FEHB? Those are two different things. Survivor annuity is you telling OPM that you are wanting them to get a check. Now if your spouse is under your FEHB, which, the question does not tell me -- Is your spouse currently under FEHB? If they are currently under FEHB, then with you, then yes. You have to leave a minimum of something, at least. But if they are not on your FEHB, and they weren't when you were retiring, and your spouse is not there, even under your coverage, then this is just giving them a check. If they are under your coverage, you can give them a half or full. If you give them a half, get a form notarized, with them, knowing they are getting less than 100 of the spousal benefit. With all the possible changes in advance -- Um -- I don't know what you mean -- In advance -- Oh! Vicki, so you have to leave him something. I can answer that question. I don't understand the second part of the question. How the heart of three consecutive salaries -- We look at all your 50s. If the heist time of your earnings was the last three, that will be adding on your SF 50s, and we will load them into GIB. And that is how we will come up with that system. GIB will calculate it for us. We are looking at number 20 on your SF 50's for any of your raises are general adjustments. That is what we are looking for. 56 military deposit pre-tran18, my specialist will verify the information for you, that is why it may be back and forth of you giving them information, them telling you, go back and get this, and you need that, or get us the orders. So that is a form of verification, if that's what you mean. I mentioned Margaret, receiving a coupon. Yeah, you'll receive a coupon for payments if your actual retirement is not enough, or if you need to carry the FEHB. If some people are negative when we get the FEHB, we get the estimate, and there is a negative, meaning they don't have enough money. They can get a coupon booklet for that, to purchase a FEHB Berkeley with OPM, they will ask you to make up the difference.

Is there a 5% reduction, um -- well, I guess we would have to look at what your, we have to look at your eligibility. You said full or resign, or you would be a full volunteer retirement, but you are not going to just retire, you are going to resign? I would have to see what that looks like what you specifically want to do, to let you know if there will be a deduction. I have to look at your case. Um -- so, if you could send me an email and tell me what your situation is, and let me look at it, we can talk about deferred, versus voluntary. I need to see it, more specifically, so, Jared, do you send an email to the entire meant, to the retirement group? We get an email, it will show you the pay centers, instructions, what you have to submit to your DFAS pay center, so that is how we give you that intro email that gets you started on your employee portion of we can do in order to get an estimate. Um -- Vicki? He said lowering the FEGLI, adding spouse to dental, yeah, okay, you can do that in retirement sure. You can lower your FEGLI. Whatever is affordable to you. Christian, where can one look for an estimated earnings? You can send the email box and see what an intro package to purchase Misty, and we will get that to you. So the salary doesn't necessarily have to be from the three consecutive -- No it doesn't. I've had people who made more money in the 90s than the 2000's. And I did not know that was possible. But I've had cases like that. Whenever your three consecutive years was is where we will go. No letter provided, how will that work? If you made a deposit to purchase your military time, and you are saying you paid in full memo, Mindy, email the box and tell them you made your deposit. And DFAS, used to send them automatically, but they tell me they are two separate buildings. The people you pay, and the people who give you the paid in full memo. You would have to do a remedy ticket, so start on that now if you need to figure out the nature of your deposit. Please let the box know. Please send me an email. We will talk about deferred. I know they say deferred. Talk to me.

Let’s five years out, I would say no, that's what you need to do. At the end of the month is, what did you say, the best time? End of the month is the best time. His end of the year the best time? It depends on how you want to pay your taxes. Some don't like to end their year with Texas. Is going to make it look like you made money that your, so some people would prefer that to happen in January. Intro specialist can have access to? GIB is for the VA to have people at the center to purchase, they purchase it for the center, so we can service the entire country. That is the AJ I believe that has GR be, because it's a dangerous tool, so you have to be qualified to review people's records in that way. If you are talking about retirement. I'm only talking about retirement, only retirement. So, don't get the wrong idea. Um -- can you speak more towards military service credit, and how it plays into your retirement age and figures? Well some people, when they tell us to have military time, but they have not purchased it, we will have an estimate to show you. We did every specialist at work in my center. One with an estimate, one without. And you can see what the difference is. Dollars and cents.if you have never gotten an estimate before, and you have military time, then I suggest you get you one so you can see the difference. The best way to describe what does it mean to you, is for us to do a side-by-side and let you compare it for yourself, what's better. Um -- and, if you don't know how much it will cost, I think that when we do that it causes people to say okay, I want to get my estimated earnings. So, if you need to see in dollars and cents difference does it make? Then go ahead and try to get yourself an estimate. So you will show you in dollars and cents. That will motivate you to get the estimated earnings at your DFAS center, at Army or Navy or Marines.

VHA employees, a lot of the time, we share the people who are from VHA, then they come to us and think we have the same service. Our services are totally different than theirs. Tell them, that is a VHA product our process, those people at the end of my slide, individuals who make it happen, but not an extra link to use. Thank you for that question!

All right, it looks to me like you got all the questions for today.

Yeah, I've been doing this a long time, and I definitely can do rapid fire.

Yes, great job!

I would be a person in front of a room with like 100 people. And I would be like let's go, what's the next one? [ laughter ]

Awesome! All right, Leanne has put one more in, could a retirement seminar for employees be given?

Um -- yeah, I do them all the time. They are mainly this. And, there is another type of class that we get that is more like a boot camp, smaller class. But ask your liaison to reach out if that is something your group is interested in, if you are a liaison, or HR. If you're interested in that grade. Totally great! Thank you. And thank you, altered you did really good on the questions. I am so proud. Everyone was paying attention the entire time and I just felt your energy. And you all gave me energy.

Well, we have come to the end of today's session. I would like to thank everyone for their participation. I thank Ayanna for providing us a wealth of information on the federal retirement system. This is so important, because we work for many years, and we had to figure out what is our end goal, right? What we want at the end? I would also like to thank our course advocate, Rachel, for her support, today. We look forward to next month's session, which we will provide information on benefits, in conjunction with open season. With that, I hope everyone has a great rest of their day and rest of their week.

[ Event concluded ]