

National Association
of Letter Carriers



Questions

Answers

on
FERS

Federal Employees Retirement System

Dear NALC Member:



Employees who began their careers with the United States Postal Service on or after January 1, 1984 are covered by the Federal Employees' Retirement System (FERS).

FERS consists of a Basic Benefit Plan, a Thrift Savings Plan and Social Security and is intended to provide letter carriers with sufficient income for their retirement years. However, the actual benefits can vary considerably depending upon the choices employees make during their years on the job.

This booklet is designed to provide you with answers to some of the most frequently asked questions regarding FERS. A separate booklet is available for members enrolled in the Civil Service Retirement System (CSRS).

I cannot emphasize enough how important it is to plan early in your career to achieve the maximum benefits during your retirement years. This booklet will aid you in making the choices necessary to reach that goal.

Sincerely,

A handwritten signature in blue ink that reads "William H. Young". The signature is written in a cursive style with a large, stylized "Y" at the end.

William H. Young
President

Where can I call if I have questions/problems concerning my retirement benefits?

The NALC Retirement Office operates a toll free number (1-800-424-5186) on Monday, Wednesday and Thursday, 10-12 noon and 2-4 pm, Eastern Time.

What is the number for the Retirement Information Office of the U.S. Office of Personnel Management?

Toll Free 1-888-767-6738, or in Washington, D.C. 202-606-0500.

Where can I call for Social Security information?

1-800-772-1213

**National Association
of Letter Carriers
100 Indiana Avenue, N.W.
Washington, D.C. 20001-2144**



QUESTIONS

A N D

ANSWERS

O N T H E

FEDERAL EMPLOYEES' RETIREMENT SYSTEM

This booklet refers ONLY to the Federal Employees' Retirement System (FERS). A similar booklet concerning the Civil Service Retirement System has also been published by the NALC. The purpose of this publication is to answer many of the questions frequently posed to the NALC Retirement Department.

Revised 2006 Edition

PREFACE

What is FERS?

FERS, which stands for the Federal Employees' Retirement System, is a retirement plan designed to supplement its participants' Social Security benefits. First, FERS provides annuity benefits, similar to private sector pension benefits, that are based on an employee's years of postal/federal service. Second, it provides a tax-deferred savings plan similar to a private sector 401(k) plan.

The annuity benefits, which include retirement, disability and survivor benefits, are provided by the *Basic Benefit Plan*. The tax-deferred savings plan is known as the *Thrift Savings Plan*.

Why are there two retirement systems for letter carriers (CSRS and FERS)?

In 1983, Congress passed the Social Security Act Amendments of 1983. These amendments were designed to bail out the nation's Social Security system.

One of the amendments mandated Social Security coverage for all federal and postal employees hired on or after January 1, 1984. (Most federal and postal employees hired prior to 1984 participate in the Civil Service Retirement System and are *not* covered by Social Security.) Another of the amendments required that a new retirement plan be developed to supplement the Social Security benefits of federal and postal employees covered by Social Security. FERS is the supplemental

retirement plan called for by the 1983 legislation.

Who is covered by the Federal Employees' Retirement System?

The following employees are covered by FERS automatically:

- All federal and postal employees *first hired* after December 31, 1983.
- All federal and postal employees *re-hired* after December 31, 1983 following a break in service of at least one year, and who had *less than 5* years of service under the Civil Service Retirement System prior to January 1, 1987.

The following employees may be covered by FERS by their own choice:

- All federal and postal employees previously covered by CSRS who chose to transfer to FERS during special transfer periods.
- All federal and postal employees *re-hired* following a break in service of at least one year who had *at least* five years of service under CSRS by January 1, 1987 and who chose (or will choose) to transfer to FERS.

How do I use this booklet?

This booklet is divided into four parts:

- Part I addresses frequently asked questions about Social Security.
 - Part II deals with common questions about the FERS Basic Benefit Plan.
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- Part III handles questions about the Thrift Savings Plan.

- Part IV focuses on a variety of general retirement questions ranging from retiree health benefits, Medicare and life insurance coverage to the rules governing remarriage and participation in politics after retirement.

Users of this booklet should consult the Table of Contents to find where their specific questions are addressed. Questions and answers are organized under general subject headings which correspond to the four major parts described above.

Active and retired members who have

questions about FERS (or retirement in general) that are not addressed in this booklet are welcome to call the NALC Retirement Department toll-free at 1-800-424-5186 on Mondays, Wednesdays and Thursdays from 10:00 a.m. to noon and from 2:00 to 4:00 p.m. (Eastern time) for assistance.

The Retirement Information Office of the U.S. Office of Personnel Management can be reached at 1-202-606-0500, or toll free at 1-888-767-6738.

Social Security information can be obtained by calling toll-free 1-800-772-1213.

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PART I: SOCIAL SECURITY

GENERAL INFORMATION ON

SOCIAL SECURITY BENEFITS

1 *What is Social Security?*

Social Security refers to a variety of social insurance benefits provided by two programs: (1) Old Age, Survivors and Disability Insurance (OASDI); and (2) Medicare. Approximately 158 million workers in the American labor force and their employers participate in Social Security and some 48 million Americans receive monthly Social Security benefits.

2 *What is OASDI? What Types of Benefits Does OASDI Provide?*

OASDI stands for Old Age, Survivors and Disability Insurance. It protects workers and their families against the loss of income that results from retirement, disability and death. It provides the following benefits:

- Monthly retirement benefits for workers and their dependents.
- Monthly disability benefits for disabled workers and their dependents.
- Monthly survivor benefits for dependents upon death, as well as a lump-sum death payment.

3 *What is Medicare?*

Medicare provides health care benefits to covered workers and retirees who are at least 65 years of age. It has two parts:

- Medicare Part A is a hospital insurance plan that pays for the cost of hospitalization and certain related care. All employees covered by Social Security are automatically covered by Medicare Part A.
- Medicare Part B is a medical insurance plan that pays for doctor bills and other medical expenses. Participation in Medicare Part B is voluntary.
- Medicare Part D—New in 2006—Medicare outpatient prescription drug plan benefits. Medicare contracts with private companies to offer these drug plans. Enrollment is voluntary but you must have Medicare Part A or B to be eligible.

See questions 220–225 in Part IV for additional information on Medicare.

4 *Are FERS employees covered by Social Security?*

Yes. FERS employees are fully covered under the Social Security system.

5 *Is Social Security a welfare program?*

No. Social Security is a social insurance program and benefits are earned by covered employees.

Benefits are based on covered employees' wages over their working lives and are paid regardless of financial need.

FINANCING

SOCIAL SECURITY

6 *How are Social Security benefits financed?*

Social Security's OASDI and Medicare Part A benefits are paid for by matching contributions of workers and their employers. These contributions, made through payroll deductions, are known as FICA taxes.

Medicare Part B (the optional medical insurance plan) is paid for by Part B participants through monthly premiums. The monthly premium in 2006 is \$88.50, an amount that will rise in future years with increases in the cost of medical care.

7 *FICA taxes to finance Social Security benefits are deducted from workers' paychecks; what does FICA stand for?*

FICA stands for the Federal Insurance Contributions Act, the law which authorizes Social Security payroll taxes.

8 *How much FICA tax is deducted from employees' paychecks to finance Social Security benefits?*

The OASDI payroll tax rate is 6.20 percent and the Medicare Part A (hospital insurance) tax rate is 1.45 percent. These payroll taxes, which make up a combined FICA tax rate of 7.65 percent, are paid on gross wages in 2006 of up to a maximum of \$94,200. (The Medicare tax of 1.45 percent is payable on total earnings.)

The maximum level of gross wages subject to FICA taxes is indexed to increases in average wages in the United States—it will therefore generally rise each year.

QUALIFYING FOR

SOCIAL SECURITY BENEFITS

9 *How is credit toward eligibility for Social Security benefits measured?*

Through 1977, you earned one credit for any calendar quarter in which you had wages or salary of at least \$50 in covered employment. Since 1978, you earned credits on the basis of your annual

earnings, up to four credits in any year. In 2006, one credit is recorded for every \$970 you earn during the year, with four credits if you earned \$3,880 or more. The amount increases each year based on wage inflation. (The amounts required to earn a credit through 2006 are shown in the table below.)

Earnings Requirement for Credits of Coverage

<u>Year</u>	<u>Earnings Required for a Credit</u>	<u>Year</u>	<u>Earnings Required for a Credit</u>
1937-1977	\$ 50	1992	\$570
1978	\$250	1993	\$590
1979	\$260	1994	\$620
1980	\$290	1995	\$630
1981	\$310	1996	\$640
1982	\$340	1997	\$670
1983	\$370	1998	\$700
1984	\$390	1999	\$740
1985	\$410	2000	\$780
1986	\$440	2001	\$830
1987	\$460	2002	\$870
1988	\$470	2003	\$890
1989	\$500	2004	\$900
1990	\$520	2005	\$920
1991	\$540	2006	\$970

10 *Does work under FERS count towards credit for Social Security benefits?*

Yes.

11 *Does work under CSRS count toward credit for Social Security?*

Generally no. However, employees with *less than 5 years of service under CSRS* who voluntarily transferred to FERS in 1987 or who are transferred to FERS (because they separated from federal service for more than a year) will be given Social Security credit for their years under CSRS. This is the case because the CSRS service of such employees is converted into FERS service at the time of the transfer.

12 *Does military service count towards Social Security eligibility?*

Yes, provided it was performed after 1956.

13 *How many credits are necessary for a worker to qualify for retirement benefits under Social Security?*

Most workers need 40 credits to qualify for retirement benefits—or about 10 years of work.

14 *How many credits are necessary to qualify for disability benefits under Social Security?*

To qualify for disability benefits, you must have earned a minimum number of credits of Social Security coverage. In addition, you must have earned some of these credits in recent years.

The following table summarizes the requirements for anyone becoming disabled in 2006.

Year of birth	Credits Required To Qualify for Disability Benefits in 2006
----------------------	--

1941-44	40, with 20 earned in last 10 years
1945	39, with 20 earned in last 10 years
1946	38, with 20 earned in last 10 years
1947	37, with 20 earned in last 10 years
1948	36, with 20 earned in last 10 years
1949	35, with 20 earned in last 10 years
1950	34, with 20 earned in last 10 years
1951	33, with 20 earned in last 10 years
1952	32, with 20 earned in last 10 years
1953	31, with 20 earned in last 10 years
1954	30, with 20 earned in last 10 years
1955	29, with 20 earned in last 10 years
1956	28, with 20 earned in last 10 years
1957	27, with 20 earned in last 10 years
1958	26, with 20 earned in last 10 years
1959	25, with 20 earned in last 10 years
1960	24, with 20 earned in last 10 years
1961	23, with 20 earned in last 10 years
1962	22, with 20 earned in last 10 years
1963	21, with 20 earned in last 10 years
1964-75*	20 earned in last 10 years
1976*	19 earned after age 21
1977*	17 earned after age 21
1978*	15 earned after age 21
1979*	13 earned after age 21
1980*	11 earned after age 21
1981*	9 earned after age 21
1982*	7 earned after age 21
After 1982	6 earned in last 3 years

*The figure shown is the maximum number of credits required. Depending on month of birth and month of disability, the number can be up to 3 fewer, with a minimum of 6 credits.

SOCIAL SECURITY

RETIREMENT BENEFITS

15 *When can an employee begin receiving Social Security retirement benefits?*

Employees with a sufficient number of credits under Social Security may retire as early as age 62 with *permanently reduced* benefits, or between the ages of 65 and 67, depending on the year of their birth, with *unreduced* benefits. See the following table:

Social Security Retirement

<u>Full Retirement Age for Retired Worker & Spouse Benefits</u>	<u>Year of Birth</u>
65	Before 1938
65 and 2 months	1938
65 and 4 months	1939
65 and 6 months	1940
65 and 8 months	1941
65 and 10 months	1942
66	1943-1954
66 and 2 months	1955
66 and 4 months	1956
66 and 6 months	1957
66 and 8 months	1958
66 and 10 months	1959
67	1960 and after

Prior to 1983, all workers covered by Social Security could retire with unreduced benefits at age 65, but Congress mandated a gradual increase in the *Full Retirement Age* to age 67 in order

to reduce the cost of Social Security benefits and in recognition of the increasing ability of older Americans to productively work past age 65.

Although the Full Retirement Age is greater for all workers born after 1937 than for those born in 1937 or earlier, such workers will still be able to retire with reduced benefits at age 62.

16 *How much in benefits can be expected from Social Security?*

The amount of Social Security benefits is based on the worker's date of birth, the type of benefit applied for and, most importantly, the worker's lifetime earnings.

For those age 25 or older and not already receiving Social Security benefits on their own earnings record, they will be sent a Social Security Statement each year that displays their earnings record and provides estimates of the retirement, disability and survivors' benefits his or her family may be eligible to receive now and in the future. The Statement should be received about three months before the worker's birthday. **To estimate your Social Security Annuity go to: www.SSA.gov/planners/calculators.**

17 *By how much is a worker's retirement benefit reduced if the worker retires before the Full Retirement Age (FRA)?*

If benefits are started early, they are reduced five-ninths of one percent for each full month before the worker's "full" retirement age. For example, if your full retirement age is 65 and you sign up for Social Security when you're 64, you will receive 93 $\frac{1}{3}$ percent of your full benefit. At age 62, you would get 80 percent. (Note: the reduction will be greater in future years as the full retirement age increases.)

18 *Does a worker lose retirement benefits by retiring early?*

No. On average, the reduction in benefits suffered by workers who retire early is set so that over their life expectancy they receive the same amount of money they would have received if they had retired at their Full Retirement Age with unreduced benefits. Thus, the reduction in monthly benefits associated with early retirement will, on average, offset the increase in benefits associated with a longer period of retirement.

19 *By how much is a worker's retirement benefit increased if the worker retires after his or her Full Retirement Age or FRA?*

The extra income usually will increase "average" earnings, and the higher the average earnings,

the higher the Social Security benefit will be.

Also, a special credit is given to those who delay retirement. This credit which is a percentage added to the Social Security benefit, varies depending on the worker's date of birth.

20 *How much is a retired worker's spouse eligible to receive on the basis of the worker's Social Security retirement benefit?*

A spouse who first becomes entitled to benefits at or after the FRA may receive an amount equal to 50% of the worker's PIA. At age 62, a spouse may receive permanently reduced benefits. As the FRA increases from age 65 to 67, the percentage of the worker's PIA payable to the spouse at age 62 gradually decreases from 37 $\frac{1}{2}$ to 32 $\frac{1}{2}$ %. This reduction does not affect the amount of any future widow(er) benefits.

If the spouse is also insured for a retirement benefit, that benefit will be paid, plus a spouse's benefit limited to the excess (if any) by which 50% of the worker's PIA exceeds her or his own PIA. This excess is reduced if the spouse's benefit starts before the FRA. This spouse's benefit is then added to her or his own retirement benefit. This is done automatically by Social Security and is not a matter of choice when reduced benefits are claimed.

21 *What requirements must be met by a retired worker's dependent children in order to receive benefits?*

An eligible child must be unmarried and:

- under age 18; or
- up to 19, if in high school; or
- any age, if disabled before 22

22 *How much are a Social Security retiree's dependents eligible to receive on the basis of the retiree's Social Security retirement benefit?*

Dependents of a retired worker receiving Social Security retirement benefits may *each* qualify for Social Security dependent benefits worth 50 percent of the retiree's PIA. However, dependent benefits may be limited by the overall maximum amount a family may receive from Social Security.

THE WINDFALL ELIMINATION

PROVISION RULE FOR

FEDERAL/POSTAL EMPLOYEES

23 *What is Social Security's Windfall Elimination Provision (WEP) rule?*

The WEP rule was enacted by Congress in 1983 to prevent CSRS annuitants from collecting sizable Social Security benefits in addition to their CSRS annuities on the basis of only a few years of work under Social Security. It modifies the Social Security formula for recipients of CSRS benefits with less than 30 years of "substantial earnings" in Social Security employment.

24 *Are FERS employees affected by the Windfall Elimination Provision (WEP) rule?*

Generally, no.

However, employees who voluntarily transferred into FERS after more than 5 years under CSRS or who were employed under CSRS for more than five years, separated for more than one year and were subsequently placed under FERS upon their return to government service, *may* be affected by the WEP rule, particularly if they had limited experience in Social Security covered employment prior to joining FERS.

The rule applies to such persons because their government annuities are based in part on their CSRS service. That is, they receive CSRS annuity benefits in addition to FERS annuity benefits (see question 156). The WEP rule applies to anyone who receives *any* CSRS benefits.

25 *How does the Windfall Elimination Provision rule work?*

The WEP provision triggers the use of a less generous Social Security formula for the recipients of CSRS benefits who do not have “substantial” earnings in at least thirty (30) years of Social Security employment. Specifically, the percentage used in the first tier of the Social Security calculation, normally 90 percent, is reduced to between 40 and 85 percent—depending on how many years workers earned “substantial” wages in Social Security-covered employment.

26 *How does Social Security determine the number of years a worker earned “substantial earnings” for purposes of the Windfall Elimination Provision rule?*

If the WEP is applicable, the 90% factor in the PIA formula is reduced to 40%. However, for people attaining age 62 in 1990 or later who have more than 20 years of substantial earnings covered by Social Security, the 40% factor is increased. It is 45% if you have 21

ings, 50% if 22 years and so on, until reaching 90% with 30 years. The following table lists the substantial earning thresholds.

A “guarantee” protects workers with small pensions. The reduction cannot exceed one-half of that part of the pension based on non-covered earnings after 1956.

If you will get a pension based on non-covered employment, you may receive an overstated benefit estimate from Social Security because the pension is not considered for the estimate.

<u>Year</u>	<u>Substantial Earnings</u>
1951-1954	\$900
1955-1958	1,050
1959-1965	1,200
1966-1967	1,650
1968-1971	1,950
1972	2,250
1973	2,700
1974	3,300
1975	3,525
1976	3,825
1977	4,125
1978	4,425
1979	4,725
1980	5,100
1981	5,550
1982	6,075
1983	6,675
1984	7,050
1985	7,425
1986	7,875

<u>Year</u>	<u>Substantial Earnings</u>
1987	8,175
1988	8,400
1989	8,925
1990	9,525
1991	9,900
1992	10,350
1993	10,725
1994	11,250
1995	11,325
1996	11,625
1997	12,150
1998	12,675
1999	13,425
2000	14,175
2001	14,925
2002	15,750
2003	16,125
2004	16,275
2005	16,725
2006	17,475

- Note that for the years 1937 through 1950 total Social Security earnings may be added together and divided by \$900 to determine the number of years of substantial earnings.

- Employees may obtain a history of their earnings under Social Security from the Social Security Administration by filing Form SSA-7004.

27 *How is the PIA formula adjusted for affected retirees who have fewer than 30 years of substantial earnings in Social Security employment and who are therefore subject to the Windfall Elimination Provision rule?*

The percentage used in the first tier of the PIA calculation will be reduced from 90 percent to between 85 percent and 40 percent depending on the number of years the retiree earned substantial wages in Social Security employment:

PIA Reduction Schedule	
<u>Years of Substantial Social Security Earnings</u>	<u>Percentage Used in 1st Tier of PIA Calculation</u>
30 or more	90% (No reduction)
29	85%
28	80%
27	75%
26	70%
25	65%
24	60%
23	55%
22	50%
21	45%
20 or fewer	40%

THE GOVERNMENT PENSION

OFFSET RULE FOR

FEDERAL/POSTAL EMPLOYEES

28 *Are the Social Security benefits received by a federal or postal employee on the basis of his/her spouse's Social Security work record reduced by the Government Pension Offset rule that affects CSRS benefits?*

Not if the employee worked under FERS for at least five years.

29 *How does the Government Pension Offset rule affect a postal employee who retires under FERS with less than five years of FERS employment?*

Any Social Security spousal benefit received by the retired postal employee on the basis of his or her spouse's Social Security work record will be reduced by two dollars for every three dollars in annuity received for service under CSRS.

SOCIAL SECURITY

DISABILITY BENEFITS

30 *What is the definition of disability under Social Security?*

A person is considered disabled for purposes of Social Security when he or she has a severe physical or mental impairment or combination of impairments that will prevent him or her from working for a year or more or that may result in earlier death.

31 *Does a worker with an impairment that prevents him or her from performing his or her job or a job in his or her career field qualify for Social Security disability benefits?*

Not necessarily. Strictly speaking, in order to qualify for Social Security disability benefits, a person must be so disabled that he or she cannot perform any gainful work, not just the type of work performed prior to the onset of the disability.

32 *Does a worker who becomes disabled after age 65 receive disability benefits or retirement benefits from Social Security?*

Retirement benefits, provided the worker has enough *credits of coverage* under Social Security to qualify for retirement benefits.

33 *How is the amount of a disabled worker's monthly Social Security benefit determined?*

Like Social Security retirement benefits, Social Security disability benefits are based on a worker's lifetime average earnings covered by Social Security.

34 *Are members of a disabled worker's family eligible to receive Social Security benefits on the basis of the worker's Social Security disability benefit?*

Yes, in certain circumstances. The following family members may receive a Social Security benefit on the basis of the worker's Social Security disability benefit:

- The worker's unmarried children under the age of 18 (or under 19 if they are still in high school full time) or age 18 or older if disabled before age 22;
- The worker's spouse at any age if he or she is caring for the worker's child who is either under 16 or disabled and also receiving Social Security benefits; and
- The worker's spouse if he or she is aged 62 or older (unless he or she collects a higher Social Security benefit on his or her own record).

35 *Can a disabled worker receive other types of benefits in addition to those available from Social Security?*

Before Social Security disability benefits begin, a disabled worker may qualify for FERS disability benefits and may qualify for Federal Employees' Compensation Act benefits or, in some states, unemployment insurance.

After Social Security disability benefits begin, a disabled worker may continue to receive FERS disability benefits and may, in some cases, continue to receive FECA benefits.

36 *Are a worker's Social Security disability benefits reduced if he or she also receives disability benefits from other sources?*

Social Security disability benefits may be reduced if a disabled worker receives worker's compensation or certain other government disability benefits. Or, the Social Security benefits may reduce the disabled worker's other disability payments. Total combined payments to a disabled worker and his or her family from Social Security or other programs generally cannot exceed 80 percent of the worker's recent earnings in Social Security-covered employment before becoming disabled.

37 *When do disability payments begin?*

Monthly benefits for a disabled worker generally start with the 6th full month of disability.

38 *Are worker's receiving Social Security disability payments subject to reviews of their medical condition?*

Yes. Disability benefit recipients are required to submit new medical evidence of disability from time to time and are occasionally required to undergo special medical examinations at the expense

of the Social Security Administration.

39 *Is a worker who is disabled under Social Security eligible for Medicare benefits?*

Yes, after he or she has been receiving Social Security disability benefits for 24 months.

SOCIAL SECURITY SURVIVOR AND DEATH BENEFITS

40 *What type of Social Security benefits can a worker's family expect if he or she dies before retirement?*

Social Security pays two types of benefits if the worker had earned enough credits while working. First, a lump-sum payment is payable to the worker's surviving spouse or child. Second, monthly survivor benefits are payable to eligible members of the deceased worker's family.

41 *How much is the Social Security lump-sum death payment and to whom is it payable?*

A one-time lump-sum payment worth \$255 may be payable either to the worker's surviving spouse or one of the worker's surviving children.

42 *Who can receive monthly survivor benefits if a worker covered by Social Security dies and had earned enough credits while working?*

Family members who can collect benefits include:

- a widow or widower who is 60 or older;

- a widow or widower who is 50 or older and disabled;
- a widow or widower at any age if she or he is caring for a child under age 16 or a disabled child who is receiving Social Security benefits;
- children if they are unmarried and
 - under age 18;
 - under age 19 but in an elementary or secondary school as a full time student; or
 - age 18 or older and severely disabled (the disability must have started before age 22); and
- parents, age 62 or over, if they were dependent on the worker for at least half of their support.

If the worker is divorced, his or her ex-spouse will be eligible for benefits on the worker's record when he or she dies. In order to qualify, the ex-spouse must:

- be at least 60 years old (or 50 if disabled) and have been married to the worker for at least 10 years;
- be any age if caring for a child who is eligible for benefits on the worker's record;
- not be eligible for an equal or higher benefit on his or her own record; and
- not be currently married, unless the remarriage occurred after age 60—or 50 for disabled widows.

Here's An Important Point: If the ex-spouse receives benefits on the worker's account, it does not affect the amount of any benefits payable to other survivors.

43 ***How much do survivors receive in monthly benefits from Social Security after a worker dies?***

Survivors receive a percentage of the worker's basic Social Security benefit—usually in a range from 75 to 100 percent each. However, there is a limit to the amount of money that can be paid each month to a family. The limit varies, but is generally equal to about 150 to 180 percent of the deceased's benefit rate.

The following table shows some examples of surviving family members who may receive benefits based on the worker's PIA. The table also shows the percentage of the worker's PIA payable to each member.

Who Receives Survivor Benefits

Benefits Paid To:	Percent of Worker's PIA Payable*:
Widow(er) at age 65**	100%
Widow(er) at age 62 in 2003	82.2***
Widow(er) at age 60	71.5
Disabled widow(er) at age 50-59	71.5
Widow(er) under age 61 with eligible child who is under age 16 or disabled	75.0
Each eligible child	75.0

* Benefits may be limited by the family maximum.

** As the full retirement age for workers rises, this age will rise too (but starting two years later).

*** Slightly reduced for widows(ers) attaining age 62 in 2007 or later.

44 *Are Social Security survivor benefits reduced if survivors receive similar benefits from FERS or other sources?*

No.

WORKING AFTER RETIREMENT

TAXATION AND COST-OF-LIVING

ADJUSTMENTS

45 *Are a person's Social Security benefits reduced if he or she earns income from a job while receiving benefits?*

It depends on how much outside income is earned and the age of the recipient. In 2006:

- A Social Security recipient who is under full retirement age may earn up to \$12,480 with no reduction in his or her benefits. Persons under full retirement age

who earn more than this earnings limit, which is indexed and rises each year with inflation, will have their Social Security benefits reduced \$1 for every \$2 earned above the limit.

- There is no earnings limitation for recipients who have reached their full retirement age.

46 *Are Social Security benefits subject to Federal income taxes?*

Although benefits are tax-free for most people, those with high total incomes must include up to 85% of their benefits as income for federal income tax purposes.

47 *Are Social Security benefits subject to annual cost-of-living adjustments?*

Yes. Social Security benefits are automatically increased in December to reflect changes in the cost of living.

APPLYING FOR SOCIAL

SECURITY BENEFITS

48 *How does a retiring or disabled worker or the survivors of a deceased worker begin receiving Social Security benefits?*

An application may be filed with any Social Security Administration office. However, an applicant might start with a telephone call to Social Security's national toll free number, 1-800-772-1213 since most applications can be taken by phone.

49 *When should an application be made for Social Security retirement benefits?*

When applying for retirement, the applicant should contact Social Security in January before he or she plans to retire, but not earlier than three months before reaching age 62.

50 *When should an application be made for Social Security survivor or disability benefits?*

The application should be made immediately.

51 *What proof of eligibility does a person need to apply for Social Security retirement benefits?*

The following materials may be required:

- The worker's Social Security card;
- Proof of the worker's age (e.g., certified copy of birth certificate);
- A marriage certificate if one is applying for spousal benefits; also, have spouse's SSN and date of birth;
- Children's birth certificates if one is applying for dependent benefits;
- The worker's most recent W-2 form, or tax return if self-employed; and

- Military discharge papers if the worker had military service.

This is only a partial list to help the applicant get prepared. The applicant will be advised if other documents are needed.

52 *What documentation does a person need when applying for Social Security disability benefits?*

- The names, addresses and telephone numbers of the doctors, hospitals or clinics which provided the worker treatment for the disability;
- Names of all medications being taken;
- Medical records;
- Laboratory and test results; and
- A summary of where the applicant worked and the kind of work performed.

53 *What documentation does a person need to apply for Social Security survivor benefits?*

The following materials may be required:

- Proof of former worker's death;
- Original or certified copy of marriage certificate if one is applying for widow's or widower's benefits;
- Original or certified copy of birth certificates of the worker's children if one is applying for children's survivor benefits; and
- Proof that children or dependent parents were receiving at least half their support from the deceased worker.

Applicant will be advised of any other needed documentation.

PART II: FERS BASIC BENEFIT PLAN

GENERAL INFORMATION ABOUT

THE FERS BASIC

BENEFIT PLAN (BBP)

54 *What types of benefits does the FERS BBP provide?*

The FERS BBP provides retirement, disability and survivor annuities to supplement similar benefits provided by Social Security.

55 *How long does an employee have to work to become “vested” under the FERS BBP?*

An employee must have 5 years of creditable service to be eligible for retirement benefits and 18 months of creditable service to be eligible for disability and survivor benefits.

56 *Is participation in FERS optional?*

For those first hired on or after January 1, 1984, coverage by FERS is automatic and participation is required. Employees hired before 1984 are generally covered by the Civil Service Retirement System, though some CSRS employees transferred to FERS during special transfer periods.

FINANCING THE FERS BASIC

BENEFIT PLAN

57 *How is the FERS BBP funded?*

The FERS BBP is funded completely by employee and employer (i.e., the USPS and other federal agencies) payroll contributions. Employee contributions are deducted from paychecks each pay period.

58 *How much does an employee pay for FERS retirement benefits?*

FERS employees contribute 0.8 percent of their basic pay for FERS basic benefits.

59 *Do FERS employees contribute to the BBP in addition to Social Security?*

Yes. FERS was planned so that an employee's annuity plan contribution rate, when added to the Social Security contribution rate for OASDI, approximates the contribution rate CSRS participants pay.

60 *Does the Postal Service contribute towards FERS employees' retirement benefits?*

Yes.

61 *How are FERS contributions invested?*

Employer and employee contributions for FERS benefits are held in the Civil Service Retirement Fund, the government account held by the U.S. Treasury that finances both FERS and CSRS, and are invested in U.S. Treasury securities.

CREDITING OF

CIVILIAN SERVICE

62 *How is civilian service under CSRS treated for employees who retire under FERS?*

Employees with prior CSRS service that was not converted into FERS service at the time they transferred into FERS (voluntarily or otherwise) will receive credit for such service for the purposes of retirement eligibility under FERS, but annuity benefits for such service are determined by CSRS rules.

63 *Is credit for FERS benefits given for service with state and municipal governments?*

No, except for service performed by certain employees of the gov-

ernment of the District of Columbia.

64 *Is credit for FERS benefits given for periods of leave without pay?*

Credit is given for up to six months of leave without pay in any calendar year. No deposit is required. If an employee is receiving benefits from the Office of Workers' Compensation Programs, credit is generally given for the entire period of compensation if he or she is carried on the agency rolls in a leave without pay status.

65 *Do FERS employees get service credit for unused sick leave under FERS?*

FERS employees do not receive service credit for unused sick leave. Employees who transferred to FERS from CSRS will get CSRS credit for the amount of sick leave they had at the time of the transfer or the amount of sick leave they have at the time they retire, whichever is less.

66 *Can FERS employees withdraw their retirement contributions to the FERS Basic Benefit Plan if they separate from government service.*

Yes. FERS employees are entitled to receive a refund of their contri-

butions to FERS, plus interest, if more than one year of service. However, the withdrawal is irrevocable.

67 *Can separated FERS employees who return to federal service redeposit previously withdrawn FERS contributions to get credit for prior service under FERS?*

No. Credit for service associated with withdrawn contributions is forfeited forever.

CREDITING OF

MILITARY SERVICE

68 *What does the term military service cover?*

Time spent in service to the Army, Navy, Air Force, Marines, Coast Guard, Regular or Reserve Corps of Public Health Service after June 30, 1960, or Commissioned Officers of National Oceanic & Atmospheric Administration after June 30, 1961.

69 *Is past military service creditable under FERS?*

Employees covered by FERS may receive credit for military service,

provided it was active service and was terminated under honorable conditions.

However, in order to get credit, employees are required to contribute three percent of their post-1956 military pay to FERS. No interest on this contribution or deposit is required if it is made within two years of the employee's beginning date of Federal service. FERS employees who transferred to FERS from CSRS are required to pay seven percent of their military pay, plus interest, to receive

retirement credit for post-1956 service. Such credit will be applied to the CSRS portion of their annuities.

70 *Is past military service creditable under FERS if an employee receives military retired pay?*

No FERS credit is given to an employee for service for which he or she receives military retired pay unless the retired pay is awarded:

- in connection with a service-related disability incurred in combat with an enemy of the United States; or
- in connection with a service-related disability caused by an instrumentality of war and incurred

in the line of duty during a period of war; or

- under the provisions of Chapter 12731, Title 10 U.S.C. (which concerns retirement from reserve branches of the Armed Forces).

An employee who is receiving military retired pay which bars credit under FERS (or CSRS) for military service may elect to waive the military retired pay in order to have the military service added to his or her civilian service for the purposes of computing annuity benefits.

71 *Can an employee collect military retired pay and FERS annuity benefits at the same time?*

Yes.

TYPES OF FERS

RETIREMENT BENEFITS

72 *How many types of retirement benefits does the FERS Basic Benefit Plan offer?*

Three. The Basic Benefit Plan offers immediate, early or deferred retirement.

73 *How does the type of retirement elected affect the amount of benefits payable to FERS annuitants?*

Employees who are eligible for immediate retirement or who

elect deferred retirement receive full benefits; employees who choose early retirement see their annuities permanently reduced by 5 percent for each year they retire before the age of 62.

74 *Must an employee apply for retirement benefits?*

Yes. An application (Standard Form 3107) must be completed to receive any retirement benefits.

75 *Must an application for optional retirement be made before an employee separates from service?*

No. However, it is advisable to apply about 6 weeks in advance of

the scheduled separation date. This will help expedite documentation to OPM.

IMMEDIATE RETIREMENT

76 *When is an employee eligible for immediate retirement (with unreduced benefits) under FERS?*

FERS employees can retire when they reach their so-called *Minimum Retirement Age (MRA)*, provided they meet certain service requirements. The MRA falls between 55 and 57, depending upon the employee's year of birth. Employees are eligible for immediate retirement with unreduced benefits if they are:

- age 62 with 5 years of creditable service; or
- age 60 with 20 years of creditable service; or
- at their Minimum Retirement Age (age 55 to 57) with 30 years of service.

FERS employees can also retire on an immediate annuity (with unreduced benefits) at age 50 with 20 years of creditable service or any age with 25 years of creditable service in certain involun-

tary separation cases and in cases of voluntary separations during a major reorganization or reduction in force.

77 *How does a FERS employee know his or her Minimum Retirement Age (MRA)?*

An employee's MRA depends on the year he or she is born:

FERS Minimum Retirement Age (MRA)

Year of <u>birth</u>	<u>MRA</u>
Pre- 1948	55
1948	55 and 2 months
1949	55 and 4 months
1950	55 and 6 months
1951	55 and 8 months
1952	55 and 10 months
1953-64	56
1965	56 and 2 months
1966	56 and 4 months
1967	56 and 6 months
1968	56 and 8 months
1969	56 and 10 months
Post-1969	57

78 *How is the amount of an employee's FERS annuity determined?*

The amount depends on an employee's length of service and his or her "high-3" average salary.

79 *How is an employee's length of service computed?*

All periods of creditable service are added together, including post-1956 military service for which a deposit has been made. The odd days under 30 are dropped and the time (years and months) remaining is the length of time used in the annuity calculation.

80 *How is an employee's "high-3" average salary computed?*

The "high-3" average salary is the highest salary obtainable by averaging the rates of *basic* pay in effect during any three consecutive years of service.

Note that basic pay does not include unrolled-in COLA or any premium pay. Also note that, for the purposes of computing an employee's "high-3," a year does not have to be a calendar year (i.e., from January 1 to December 31).

81 *What is the formula for calculating a FERS retirement annuity?*

For employees who retire before age 62, the annual annuity for FERS-covered service is calculated by multiplying the number of years

of service under FERS times one percent times the average of the employee's highest three consecutive years of basic pay, the employee's so-called "high-3" average.

For employees who retire at age 62 or older with at least 20 years of service, the benefit is 1.1 percent times the employee's years of service under FERS times the employee's "high-3" average salary.

82 *When does the annuity begin in cases of immediate retirement?*

The annuity will begin on the first day of the month following retirement. Unlike CSRS, there is no special provision for employees who serve three days or less in the month of retirement or any provision allowing a voluntary (immediate) retirement annuity to begin on the day after the last day of pay.

83 *Can an employee who resigns or is separated for cause apply for immediate retirement and receive annuity benefits?*

Yes, provided the individual meets the age and service eligibility requirements under FERS and has not violated certain national security laws.

84 *What is the FERS annuity supplement?*

FERS annuity benefits are designed to supplement Social Security retirement benefits. However, FERS annuitants are not eligible to receive Social Security benefits until they reach age 62. In order to compensate annuitants who are less than 62 years old for their inability to collect Social Security benefits, the FERS Basic Benefit Plan provides a temporary annuity supplement to FERS employees who retire with unreduced annuity benefits.

The FERS annuity supplement is designed to approximate the monthly retirement benefit employees will receive from Social Security at age 62 for their years of service under FERS. The annuity supplement, which is subject to the Social Security earnings test, is payable until age 62, at which time Social Security retirement benefits may begin.

85 *Who is eligible for the FERS annuity supplement?*

Employees who retire voluntarily under FERS on an immediate annuity which is not reduced for age. FERS employees may also be eligible for the supplemental annuity once they reach their

minimum retirement age (MRA) if they retired involuntarily or voluntarily because of a major reorganization or reduction in force.

Those retiring on disability, deferred retirement or an immediate MRA + 10 benefit are not eligible for the supplement.

86 *How is the amount of the FERS annuity supplement calculated?*

The supplement is computed as if the retiring employee were age 62 and fully insured for a Social Security benefit when the supplement begins. By law, the Office of Personnel Management (OPM) first estimates what the employee's full career (40 years) Social Security benefit would be. Then OPM calculates the amount of his or her civilian service under FERS and reduces the estimated full career Social Security benefit accordingly. For example, if the employee's estimated full career Social Security benefit would be \$1,000 and he or she worked 30 years under FERS, OPM would divide 30 by 40 (.75) and multiply ($\$1,000 \times .75 = \750). The result would be the retiring employee's special retirement supplement, prior to any reductions.

87 *Is the FERS annuity supplement subject to the Social Security earnings test?*

Yes. The supplemental benefit, like the Social Security benefit it is designed to approximate, is subject to the Social Security earnings test. The supplement is

reduced by \$1 for every \$2 it exceeds the earnings limit (\$12,480 in 2006) imposed on Social Security recipients who are under the full retirement age. OPM will furnish instructions on how to report earnings when it is required.

EARLY RETIREMENT WITH

REDUCED BENEFITS

88 *When can an employee elect early retirement (with reduced benefits) under FERS?*

An employee may retire with reduced benefits if he or she has reached their MRA and have at least 10 years of creditable service.

Specifically, the reduction is equal to 5 percent for each year (or 5/12 of one percent for each month) the employee is under the age of 62 at the time of retirement. The reduction is permanent and does not stop when the retiree reaches age 62.

89 *How is an employee's FERS annuity calculated if he or she elects early retirement with reduced benefits?*

First, the employee's annuity is calculated using the same formula used for employees who apply for immediate retirement with full benefits—i.e., 1 percent times the number of years of FERS service times the employee's "high-3" average salary (see question 81).

Second, the annuity amount calculated above is reduced by a percentage that varies with the employee's age at the time he or she applies for early retirement.

For example, consider the case of a FERS employee with 10 years of service and a high-3 average salary of \$40,000 who elects early retirement on the day she turns 58 years old. If she were eligible for immediate retirement (with full benefits), she would receive an annuity of \$4,000 per year (1 percent times 10 years of FERS service times her "high-3" of \$40,000). However, because she has elected to retire early, she would face a 20 percent (5 percent times the 4 years she is short of age 62) or \$800 reduction in her annuity. Thus, her FERS annuity would be reduced to \$3,200 per year.

90 *Does the reduction in annuity benefits associated with early retirement become smaller as the annuitant approaches the age of 62?*

No.

91 *Is the reduction in annuity benefits associated with early retirement permanent?*

Yes.

DEFERRED RETIREMENT

92 *When can an employee retire from the Postal Service with deferred retirement benefits under FERS?*

An employee may separate from the Postal Service at any age and defer retirement benefits if he or she has at least five years of creditable service.

93 *Can employees who receive refunds of their contributions to FERS still collect deferred retirement benefits based on the Postal Service's contributions toward their FERS retirement benefits?*

No. Deferred benefits can only be collected if employees keep their career FERS contributions in the Civil Service Retirement Fund.

94 *When can an employee who elects deferred retirement begin receiving annuity benefits?*

It depends on how much service credit he or she has. If an employee has 5 years of credit, for example, he could begin receiving

FERS annuity benefits effective the first day of the month after turning 62 years old. With 20 years, the employee could begin receiving deferred benefits at age 60. In general, employees can begin receiving deferred benefits when they reach the minimum age at which they could apply for immediate retirement if they were still active.

95 *Are annuity benefits reduced in any way if an employee elects deferred retirement?*

No, provided the employee does not submit an application for early retirement before becoming eligible to receive deferred benefits.

96 *Is an employee eligible for a deferred annuity regardless of the reason for his or her separation?*

Yes. Providing the employee leaves his or her FERS contributions in the Civil Service Retirement Fund and does not commit a crime harmful to national security.

SURVIVOR BENEFITS—

EMPLOYEE DIES

97 *What conditions must a deceased employee have met to permit the payment of FERS survivor benefits to his or her family?*

The deceased employee must have had at least 18 months of creditable civilian service under FERS (or CSRS) and have held a position covered by FERS at the time of death.

If an employee does not have 18 months of service and dies, his spouse, survivors or estate is entitled to a lump-sum payment equal to the amount paid into the Civil Service Retirement Fund by the employee plus applicable interest, if any.

98 *Who can collect a deceased employee's survivor benefits?*

FERS survivor benefits may be payable to a surviving spouse or to a former spouse.

In addition, natural and adopted children as well as step children who lived with the employee in a “regular parent-child relationship” prior to the death of the employee, may be eligible to receive FERS survivor benefits.

99 *What eligibility requirements must a surviving spouse meet to qualify for FERS survivor benefits?*

Widow/widowers must have been married to the deceased employee for at least 9 months immediately prior to the employee's death *or*, if married less than nine months, must be the parent of a child of the deceased employee. However, if the death resulted from an accident, these requirements are waived.

100 *What eligibility requirements must a former spouse meet to qualify for FERS survivor benefits?*

A former spouse must have been married to the deceased employee for at least 9 months *and* have a court order or court-approved property settlement providing for the payment of survivor benefits.

The former employee could also have elected a survivor benefit for his/her former spouse with consent of current spouse if married at the time.

101 *What conditions must a child of a deceased FERS employee meet to qualify for survivor benefits?*

He or she must be:

- Unmarried and under age 18; or
- Unmarried and over age 18, but incapable of self-support because of a physical or mental disability which began before age 18; or

• Unmarried and a full-time student between the ages of 18 and 22.

102 *What survivor benefits do eligible spouses (or former spouses) of deceased employees receive under FERS?*

In 2006, eligible spouses (or former spouses) receive:

- A lump-sum payment of \$26,584.62 (the figure is adjusted annually to keep up with inflation); plus
- A lump-sum payment of the higher of: $\frac{1}{2}$ the deceased employee's annual basic salary or $\frac{1}{2}$ the deceased employee's "high-3" average salary; plus
- Any Social Security and Thrift Savings Plan survivor benefits that may be payable.

In addition, if deceased employee had at least 10 years of creditable civilian service, surviving spouse also qualify for:

- A survivor annuity worth 50 percent of the employee's accrued FERS annuity benefit.

103 *When does the survivor annuity to a widow or widower of a deceased employee begin?*

It is effective the day after the employee's death.

104 *How long may a widow or widower receive a survivor annuity?*

Until the end of the month before the one in which the widow or

widower dies or is remarried. However, remarriage after age 55 does not terminate the widow or widower's annuity. For remarriages occurring after January 1, 1995, if the widow or widower remarries before age 55, and was married at least 30 years to the individual on whose service the survivor annuity is based, the survivor annuity will not be terminated.

105 *What survivor benefits do eligible children of deceased employees or annuitants receive under FERS?*

Each eligible child, who has a surviving parent who was the spouse or former spouse of the deceased employee, will receive approximately \$420 per month less any Social Security survivor benefits. Each eligible child who has no surviving parent or whose surviving parent was never married to the deceased employee will receive approximately \$504 per month less any Social Security survivor benefits. These amounts are reduced proportionately if more than three children are eligible for survivor annuities. The amount of child benefits are periodically increased by cost-of-living adjustments.

106 *Is a child's survivor annuity payable in addition to the widow's or widower's annuity?*

Yes.

107 *How long can a surviving child receive FERS survivor benefits?*

The monthly survivor benefit to a child will terminate on the last day of the month before the child:

- Marries;
- Turns age 18, unless he or she is a full-time student;
- Turns age 22, even if he or she is a full-time student (except that a child whose 22nd birthday falls during the school year is considered not to have attained age 22 until July 1st);
- Is no longer either physically or mentally disabled.

108 *When a child's annuity stops, is the widow or widower's annuity affected?*

No.

109 *If a child lost their annuity because of marriage, can the benefit be restored if the marriage terminates?*

Yes. The annuity and health insurance coverage can resume upon the end of the child's marriage and can continue until age 22 for children who are not married and enrolled as students on a full-time basis. If a child is unmarried and incapable of self-support because of a disability which began before age 18, benefits can continue for life.

SURVIVOR BENEFITS—

ANNUITANT DIES

110 *With regards to survivor benefits, what are the possible annuity elections?*

(1) An annuity with a survivor benefit to a spouse; (2) An annuity with a survivor benefit to a "named person having an insurable interest;" (3) An annuity without a survivor benefit; and (4) An annuity to provide a former spouse or combination current/former spouse survivor benefit.

111 *Can an employee choose which type of annuity he/she wants?*

Yes. However, a married employee is automatically granted the annuity with a spousal survivor benefit, unless the spouse waives his/her right to the survivor benefit.

112 *How much is the reduction in the retired employee's annuity if he or she elects an annuity with a survivor benefit for his or her spouse?*

10 percent of unreduced annuity for full survivor benefit and 5 percent for a 25 percent survivor benefit.

113 *How much does a surviving spouse of a deceased FERS annuitant receive in FERS survivor benefits?*

For the spouse of a deceased nondisability annuitant, the full FERS survivor annuity is 50 percent of the annuitant's annuity before it is reduced by the cost of the survivor benefit. The survivor annuity may be 25 percent of the annuitant's unreduced annuity if the spouse agreed to that election.

For the spouse of a deceased disability annuitant, the benefit is the same as above if the disability annuitant died after reaching age 62. If death before age 62, the amount of the survivor annuity is

50 percent (or 25 percent, if the annuitant and spouse jointly elected a partial survivor benefit) of an earned annuity computation with the time base increased by the amount of time between retirement and the annuitant's 62nd birthday, and the average salary increased by the COLAs the annuitant received.

In addition, if the surviving spouse is ineligible to receive Social Security survivor benefits (see question 42), he or she may be eligible to receive a special supplemental annuity until the age of 60. The amount of the supplement is the *lesser* of:

- The portion of the Social Security survivor benefit payable to the surviving spouse at age 60 that is attributable to FERS service; or
- The difference between the survivor annuity payable by CSRS (55% of the deceased retiree's annuity) and the regular survivor annuity payable by FERS.

Reduction in Annuity to Provide Survivor Benefit to a Named Person with an Insurable Interest

<u>Age of person named in relation to that of retiring employee</u>	<u>Percent Reduction</u>
Older, same age, or less than 5 years younger	10
5 but less than 10 years younger	15
10 but less than 15 years younger	20
15 but less than 20 years younger	25
20 but less than 25 years younger	30
25 but less than 30 years younger	35
30 or more years younger	40

114 *When does the survivor annuity to the widow or widower of a deceased annuitant begin?*

It is effective the day after the retiree dies.

115 *When does the survivor annuity to the widow or widower of a deceased annuitant end?*

It ends if the widow or widower remarries before the age of 55 or upon the widow or widower's death. For remarriages occurring after January 1, 1995, if the widow or widower remarries before age 55, and was married at least 30 years to the individual on whose service the survivor annuity is based, the survivor annuity will not be terminated.

116 *What is an annuity with a survivor benefit to a named person having an insurable interest?*

In this type of annuity, the retiring employee takes a reduction in his or her annuity and names a person who has an insurable interest in his or her life to receive a survivor annuity.

117 *Who may elect an annuity with a survivor benefit to a named person having an insurable interest?*

Any employee who is in good health and not retiring for disability.

118 *If an employee elects an annuity with a survivor benefit to a named person having an insurable interest, how much is the reduction in annuity?*

It depends on the difference in ages between the retiring employee and the person named as having an insurable interest. (See the table on preceding page.)

119 *How much is the survivor annuity payable to a person having an insurable interest?*

The annuity for a person named with an insurable interest is 55% of the annuity paid to the retiring employee, *after* the "insurable interest" reduction.

120 *Can an annuitant provide a survivor benefit to a spouse and a person named with an insurable interest at the same time?*

Yes. However, the annuitant's annuity will be reduced for the spousal benefit and up to 40 percent for the insurable interest benefit. (A spouse cannot receive both a spousal survivor benefit and an "insurable interest" survivor benefit.)

121 *How does a retiring employee indicate the type of annuity he/she wishes to receive?*

The employee indicates the type of annuity desired on the application for retirement (Standard Form 3107).

122 *Can a former spouse of a deceased annuitant collect a FERS survivor annuity?*

Yes, if provided for by a court order or if the employee designated the former spouse to receive a survivor benefit.

123 *May an annuitant initiate or end reductions for a survivor benefit after his or her regular annuity payments begin?*

Yes, when the annuitant marries, divorces or remarries, or when a spouse for whom a survivor bene-

fit is provided, predeceases the annuitant. An annuity election can also be changed if a new election is filed not later than 30 days after the date of the retiree's first regular monthly payment. After that 30-day period, but within 18 months from the beginning date of annuity, a retiree who was married at retirement can change his or her decision not to provide a survivor annuity or increase the survivor annuity to the maximum amount.

**INFORMATION FOR ANNUITANTS
ON MARRIAGE, DIVORCE,
REMARRIAGE AND
SPOUSAL DEATH**

124 *Can a single annuitant who marries after retirement elect to provide a survivor annuity for his or her spouse?*

Yes. An employee who was not married at the time of retirement and later marries, can request that his or her annuity be reduced to provide a survivor benefit to his or her spouse.

If the employee previously elected to provide a survivor annuity to a named person having an insurable interest, he or she may change the election to have the spouse covered by a survivor annuity. The survivor benefit for the named person with an insurable interest may be continued or dropped (see questions 116-120).

In either case, the change in the annuity election must be executed within 2 years of the marriage by writing to the U.S. Office of Personnel Management (see question 228 for instructions).

125 *How are annuity benefits affected by an annuitant's divorce after retirement?*

If an annuitant's marriage ends in divorce or annulment, the amount of his or her annuity may be increased by the amount previously deducted for the survivor annuity, unless prohibited by a court order decree or court-approved agreement obtained by the annuitant's former spouse (see question 226 for instructions).

If the annuitant remarries, an election can be made to provide the new spouse a survivor benefit, unless prohibited by a court order decree or court-approved agreement obtained by the annuitant's former spouse.

126 *How are an annuitant's benefits affected if the annuitant's spouse dies?*

The annuitant can have his or her annuity restored to the single-life rate by writing the U.S. Office of Personnel Management.

If the spouse predeceases the annuitant and that annuitant later remarries, his or her annuity will be actuarially reduced for all the months that the annuity was restored to full annuity in order to provide the new spouse a survivor benefit.

For example, consider the case of an employee who retired in 2000 and provided a survivor annuity for his wife Jane. She predeceased the annuitant and, after contacting the U.S. Office of Personnel Management, his annuity was restored to the single-life rate (eliminating the survivor annuity benefit). Ten years later the annuitant remarries and wants to cover his new wife, Mary, with a FERS survivor annuity. In order to do so, he must contact OPM to begin making current survivor deductions as well as the actuarial reduction to pay the cost of such survivor deductions over the period his annuity was restored to the single-life rate. This would include 10 years (plus 9 months, the initial period of time when his new wife is not eligible for coverage) of survivor deductions.

SURVIVOR BENEFITS—

DEATH OF EMPLOYEE

WITH DEFERRED ANNUITY

127 *Can the spouse and children of a former employee who is entitled to a deferred retirement annuity collect survivor benefits if the former employee dies?*

Yes, provided the employee had at least 10 years of creditable civilian service.

Spouses who meet the marriage requirements will automatically receive survivor benefits, *unless*:

- The marriage took place after the employee left government service and no survivor benefit was selected; or
- The surviving spouse elects to receive the “unexpended” balance in the employee’s FERS retirement account unless some other person is designated for the lump-sum credit.

Children of deceased former employees who were in receipt of

deferred annuities also qualify for survivor benefits if they meet the eligibility requirements applied in cases where active employees die. No survivor annuity is payable to children of a former employee who dies before becoming an annuitant.

128 *How much can the spouse of a deceased former employee who was entitled to a deferred annuity receive in FERS survivor benefits?*

If collected at the time the employee would have been eligible to begin receiving retirement benefits, the spouse is entitled to 50 percent of what the deceased

former employee would have received. The survivor benefit is reduced if the survivor elects to receive the annuity beginning the day after death.

129 *How much can the children of a deceased former employee who was entitled to a deferred annuity collect in FERS survivor benefits?*

Survivor benefits for children of a deferred retirement annuitant are calculated according to the same rules as survivor benefits for children of employees who die while still active in government service (see question 105).

HOW TO CLAIM FERS

SURVIVOR BENEFITS

130 *What should a survivor do if a FERS-covered former employee or FERS annuitant dies?*

Survivors must apply to receive benefits. They should also:

1) *Return any uncashed annuity checks* to the return address shown on the Treasury Department's envelope in which the check was delivered. If annuity payments have been sent directly to a bank or other financial institution, promptly notify that institution of the annuitant's date of death. Ask that any payments received after

the date of death be returned to the Treasury Department.

Returning uncashed checks to the Treasury Department is necessary because government checks made payable to a deceased person cannot be legally negotiated by anyone, even the executor or administrator of the person's estate.

Any unpaid accrued annuity due to the deceased will be paid to the eligible survivor.

2) *Notify the U.S. Office of Personnel Management, Retirement Operations Center, Boyers, Pennsylvania 16017* or by tele-

phone at 1-888-767-6738.

Indicate the annuitant or former employee is deceased and request the following forms to apply for survivor benefits:

SF 3104—Application for Death Benefits (Survivor Annuity or Lump-Sum Payment).

FE 6— Claim for Death Benefits under the Federal Employees’ Group Life Insurance Program. (FEGLI).

OPM will process the request as soon as possible. The letter of notification to OPM should include full name of the deceased, exact date of birth, exact date of death, Social Security number, CSA (claim) number, and the name and address of the person to whom OPM should send claim forms.

3) Obtain certified copies of the death certificate to enclose with the

application forms.

Completing an application (SF 3104) for survivor benefits is necessary so that OPM can authorize payment of all benefits to the eligible survivor(s).

Benefits may also include automatic health insurance coverage if the survivor: 1) has been covered by the annuitant’s enrollment in one of the government’s health benefits plans (FEHBP), and 2) the survivor is eligible to receive a survivor annuity immediately after the death of the annuitant.

When applying for FEGLI life insurance benefits, there is no need for the eligible survivor to contact the Jersey City office of FEGLI. They can not settle a claim until a certification of the deceased annuitant or employee’s insurance status is received from the employing agency.

FERS DISABILITY BENEFITS

131 *How much creditable civilian service must an employee have to be eligible to receive disability benefits under FERS?*

A FERS employee must have at least 18 months of service.

132 *Under what conditions may an employee retire for disability under FERS?*

An employee must become totally disabled for useful and efficient service in the position held and must have completed at least 18 months of civilian service.

133 *What constitutes total disability?*

The employee's inability, because of injury or illness, to satisfactorily perform the duties of the position held or the duties of a similar position. It need not be shown that the applicant is disabled for all kinds of work. The law (Section 8451(a)(2)(D) of 5 USC) states: "An employee of the United States Postal Service shall not be considered qualified for a position if such position is in a different craft or if reassignment to such position would be inconsistent with the terms of a collective bargaining agreement covering the employee."

134 *Who determines whether an employee is totally disabled so as to qualify for an annuity?*

The U.S. Office of Personnel Management makes the determination.

135 *Must the injury or illness be incurred while on duty?*

No. If it is incurred on the job, however, the employee could have a choice between annuity under FERS or benefits from the Department of Labor's Office of Workers' Compensation Programs, and the employee may choose whichever is to his/her advantage.

136 *Who files the annuity application if an employee is mentally incompetent?*

The employee's guardian or other fiduciary.

137 *May the USPS or other federal agency submit an application to have an employee retired for disability?*

Yes. If the agency believes that the employee is totally disabled for useful and efficient service in the position held.

138 *When does a disability annuity begin?*

It begins on the day after separation or the day after the employee's pay status ends and the employee meets the disability and service requirements.

139 *How are disability benefits computed under FERS for an individual under 62 and not entitled to an immediate voluntary retirement?*

During the first year of eligibility under FERS, the disabled annuitant receives the GREATER of earned annuity or 60% of his or her high-3 average salary minus 100% of any Social Security benefits. After the first year, he or she receives the GREATER of earned annuity or 40% of his or her high-3 average salary minus 60% of any Social Security payments.

140 *Is the FERS disability annuity recalculated after the disabled employee reaches age 62?*

Yes. The disability annuity is

recomputed at age 62 to an amount that represents the annuity the individual would have received if he or she had continued working until the day before his or her 62nd birthday and then retired under FERS non-disability provisions.

141 *Are further medical examinations necessary after the employee is placed on the disability annuity rolls?*

Periodic examinations are required until the annuitant reaches age 60 or until it is found that the disability is of a permanent nature.

142 *Must the annuitant pay for these medical examinations?*

Yes.

143 *If a disability annuitant under age 60 recovers, what is his/her status?*

The annuity will be discontinued at the end of one year from date of the medical report showing recovery, or upon Federal reemployment, whichever comes first.

144 *Is reinstatement in the federal service automatic upon recovery or restoration to earning capacity?*

No, the individual must locate a position on his or her own.

145 *What happens to a disability annuitant whose earning capacity is restored?*

Even if the annuitant remains

totally disabled, an annuitant whose earning capacity is restored before reaching age 60 will have his or her annuity discontinued. The annuity stops upon Federal reemployment or at the end of 6 months from the end of the calendar year in which earning capacity is restored, whichever comes first. (Annuity is not discontinued if the annuitant's earning capacity is restored after age 60.)

146 *When is a disability annuitant's earning capacity considered restored?*

A disability annuitant's earning capacity is considered restored if, in one calendar year, the annuitant's income from wages or self employment (or both) is at least 80% of the current salary of the position from which the employee retired.

147 *Is income from such sources as rents, dividends, Social Security, pensions, insurance policies, stocks or bonds considered in deciding whether a disability annuitant's earning capacity is restored?*

No. Only income from wages or self employment is considered income for earning capacity purposes.

148 *If an annuitant who has recovered or whose earning capacity is restored is not reemployed in the government service, may the retiree receive a*

further annuity after the disability stops?

Yes. The annuitant is considered involuntarily separated, and may be eligible to draw one of the following annuities:

- a deferred annuity, beginning when the annuitant reaches age 62;
- a discontinued service annuity, provided the annuitant is age 50 or older when the disability annuity stops and had at least 20 years of service (this annuity would

begin immediately following the termination of the disability annuity); or

- a discontinued service annuity, provided the annuitant had at least 25 years of service regardless of age (this annuity would begin immediately following the termination of the disability annuity).
- a regular or early retirement (MRA +10) commencing the first day of the month after the disability annuity stops if age and service requirements are met.

ANNUITY PROTECTION

PLAN (APP) AND COLA

ROLL-IN

149 ***What is the Annuity Protection Program (APP) and how does it relate to the COLA roll-in?***

Under the APP, the Postal Service took responsibility for “make-up” payments to replace the lost annuity and life insurance amounts resulting from the delayed COLA roll-in. The small number of people affected by this were carriers who retired on disability and the survivors of carriers who died while on the rolls, who were not eligible for the early roll-in option.

The APP guaranteed protection for these individuals during the entire lifespan of the delayed COLA roll-in provisions. Beginning with the 1994-1998 National Agreement and its first COLA payment in early 1996, cost-of-living adjustments have been rolled-in immediately and APP protection has become unnecessary with regard to these payments. The automatic, immediate roll-in of COLA to basic salary means that carriers begin to earn retirement credit on their COLA increases as soon as they are paid.

150 *Are FERS benefits subject to annual cost-of-living adjustments (COLAs)?*

It depends. COLAs are not payable to regular retirement annuitants, unless they are 62 years old or older. COLAs are payable to disability annuitants, regardless of their age, but generally only after one full year of disability. However, disability annuitants who are receiving 60 percent of their average salary do not receive COLAs. Survivor annuitants receive immediate COLAs.

151 *How are COLAs for FERS benefits calculated?*

FERS COLAs are based on the percentage increase in the average Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) during the third quarter of each year over the same average for the previous year. The actual COLA percentage depends on how much the CPI-W increases:

FERS COLA Formula

<u>Increase in CPI-W</u>	<u>Annual COLA Percentage</u>
2% and less	Same as CPI increase
2 to 3%	2%
3% or more	CPI increase minus 1%

152 *When do FERS COLAs take effect?*

COLAs take effect in December of each year and are reflected in annuity payments beginning in January.

153 *How is the COLA computed for recently retired employees?*

Employees must be retired for a full year in order to receive full COLAs. The COLA year runs from December 1 to November 30. Thus, employees who retire in the *year-to-date* prior to December 1 in any given year, receive the following percentages of that year's COLA:

COLAs for New FERS Annuitants

<u>Month of Retirement</u>	<u>Proportion of COLA</u>	<u>Month of Retirement</u>	<u>Proportion of COLA</u>
December (prior year)	FULL COLA	June	$\frac{6}{12}$
January	$\frac{11}{12}$	July	$\frac{5}{12}$
February	$\frac{10}{12}$	August	$\frac{4}{12}$
March	$\frac{9}{12}$	September	$\frac{3}{12}$
April	$\frac{8}{12}$	October	$\frac{2}{12}$
May	$\frac{7}{12}$	November	$\frac{1}{12}$

RULES FOR EMPLOYEES

WITH CSRS AND FERS CREDIT

154 *In what circumstances do employees covered by FERS also have credit for service under the Civil Service Retirement System?*

- he or she transferred to FERS with 5 or more years of CSRS service credit; those who transferred into FERS with fewer than 5 years of credit under CSRS had such credit converted into FERS service at the time of transfer.
- he or she separated from government service with service credit under CSRS, was rehired and exercised the option to transfer into FERS within months of being rehired; this option was given to rehired employees who separated for less than a year or, if separated for more than one year, had at least five years of CSRS credit.

155 *How does CSRS credit affect a FERS employee's eligibility to retire?*

All service (CSRS and FERS) counts toward the number of years needed to be eligible for retirement, disability, and survivor benefits under FERS.

156 *If a FERS employee with credit for civilian service under CSRS retires, how is his or her annuity benefit calculated?*

Regardless of the type of retirement (early, immediate or deferred), a portion of his or her annuity would be computed using the CSRS benefit formula and a portion would be computed using the FERS formula. Benefits for service under CSRS would be calculated using the CSRS formula while benefits for service under

FERS would be calculated using the FERS formula. Both formulas would use the same “high-3” average basic salary.

The sum of the CSRS and FERS benefits would be reduced by 5 or 10 percent to provide a survivor annuity of 25 or 50 percent of the retiree’s benefit.

157 *If an employee eligible to receive a combined CSRS/FERS annuity elects early retirement, is the 5 percent reduction in annuity benefits for each year the employee is under age 62 applied only to the FERS portion of his or her annuity?*

No. Employees with a combined CSRS/FERS annuity who elect early retirement will have the age reduction applied to the sum of the CSRS and FERS benefits, not just to the FERS portion of their annuities.

158 *How is credit for prior military service and unused sick leave treated for FERS employees with credit for CSRS service?*

Military service performed before the date of transfer may be credited under CSRS rules if the employee has a CSRS annuity component in his or her FERS retirement benefit. If there is no CSRS component, FERS rules apply to the military service.

Unused sick leave as of the date of retirement or the date of transfer—whichever is less—will be credited in determining the CSRS portion of the employee’s annuity benefit.

159 *How are disability and survivor benefits calculated for employees who transferred into FERS from CSRS?*

Although CSRS service counts for eligibility purposes, all disability and survivor benefits for FERS employees with CSRS service credit are calculated using FERS rules.

160 *How are cost-of-living adjustments (COLAs) made to annuitants receiving combined CSRS/FERS retirement benefits?*

The CSRS portion of retirees’ annuities receive CSRS COLAs (immediate full COLAs) while the FERS portion receive FERS COLAs (CPI minus 1 percent for annuitants who are 62 or older).

Since disability and survivor annuitants with service credit under both CSRS and FERS receive benefits according to FERS rules only, such annuitants receive COLAs according to FERS rules.

REFUND AND

REDEPOSIT RULES

161 *In the context of FERS, what is meant by the term refund?*

A refund is the return to an employee of his or her payroll contributions to the FERS Basic Benefit Plan, plus the interest earned by such contributions.

162 *Does a refund include the government's (i.e., Postal Service's) contributions to FERS on the employee's behalf?*

No.

163 *Under what conditions is a refund payable?*

It is payable when an employee separates from government service for at least 31 consecutive days, providing:

- the employee applies to the Office of Personnel Management for the refund, using Standard Form 3106 (Application for Refund); and
- the application is received by OPM at least 31 days before the beginning date of any annuity for which he or she may be eligible; and
- the employee notifies his or her current and or former spouse of the application; and
- the employee is not prohibited from receiving a refund because of a court order.

164 *May an employee eligible for immediate retirement choose to receive a refund instead of an annuity?*

No.

165 *May a former employee who is eligible for a deferred annuity instead request a refund of his or her retirement contributions?*

Yes, if an application is filed with OPM at least 31 days before annuity payments are scheduled to begin.

166 *What happens to a former employee's FERS contributions if he or she dies before taking a refund?*

The retirement contributions may be refunded to his or her survivors, or they may help finance the survivor benefits payable to the employee's survivors.

167 *May an employee redeposit refunded FERS contributions in order to get credit for prior FERS service if he or she returns to government service?*

No. Unlike refunds of CSRS contributions, refunds of FERS contributions cannot be redeposited— by accepting a FERS refund, an employee forfeits his or her FERS service credit and annuity benefits.

APPLYING FOR BENEFITS

FROM THE FERS BASIC

BENEFIT PLAN

168 *What forms must be used to apply for benefits from the FERS Basic Benefit Plan?*

For FERS immediate retirement benefits: Standard Form 3107—Application for Immediate Retirement.

For FERS disability benefits: Standard Form 3112—Documentation in Support of Disability Retirement Application, in addition to Standard Form 3107.

For FERS survivor benefits: Standard Form 3104—Application for Death Benefits.

169 *Where can employee get FERS application forms?*

The personnel office in their place of work, or if already retired, the Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017 (888) 767-6738.

170 *What recourse does an applicant for FERS benefits have if his or her application is denied by the Office of Personnel Management?*

The applicant may appeal to the Merit Systems Protection Board.

PART III: THRIFT SAVINGS PLAN

GENERAL INFORMATION

ON THE TSP

171 *What is the Thrift Savings Plan (TSP)?*

It is a retirement savings plan similar to an Individual Retirement Account (IRA). The money employees contribute to the TSP is tax-deferred, which means they do not have to pay taxes on it until they withdraw it during retirement.

172 *Who can participate in the Thrift Savings Plan?*

All postal and federal employees may participate. However, the rules are different for CSRS and FERS employees. In general, the thrift plan is more valuable to FERS employees.

173 *Do employees have to participate in the Thrift Savings Plan?*

No. But the Postal Service will automatically contribute a sum equal to one percent of FERS employees' basic pay, regardless of whether they contribute their own money or not.

174 *How important is it for FERS employees to participate in the Thrift Savings Plan?*

FERS employees who do not participate in the TSP cannot expect to enjoy the same level of retirement income as employees covered by CSRS. By contributing an average of 5 percent of basic pay over their working lives, FERS employees can boost their annual retirement income by as much as 33 percent.

175 *What factors influence how much an employee can expect to save and earn through the TSP?*

The main factors are how much the employee earns in basic pay, how much he or she contributes, how many years he or she contributes and the rate of return earned by TSP investments.

176 *If an employee already has an IRA, can he or she still participate in the TSP?*

Yes.

177 *Can a TSP participant roll his or her IRA into the Thrift Savings Plan?*

Yes. Active or separated employees can roll over (transfer) money from a qualified retirement plan or a traditional IRA into their existing TSP account. However, separated employees cannot roll over money into their TSP account if they have already made a full withdrawal of their account or are receiving monthly payments.

178 *Do employees who transfer their TSP accounts into IRAs upon separation from government service pay taxes on their TSP savings?*

No. TSP transfers to IRAs are not taxed until they are taken out of the IRAs.

179 *What are the tax advantages of contributing to the TSP?*

Contributions to the TSP are not subject to federal and most state income taxes in the year they are made, nor is the interest earned by an employees' TSP accounts. TSP funds are taxed only after they are withdrawn, usually at the time of retirement when the mar-

ginal tax rates facing most taxpayers are lower.

180 *How are funds withdrawn from the TSP taxed?*

It depends on the method of withdrawal:

- Lump-sum and equal payment distributions of TSP funds are treated like ordinary income and taxed in the year(s) they are received.
- Annuities purchased by the Thrift Investment Board with an employee's TSP account are taxed in the year(s) annuity payments are received.
- TSP savings transferred to an IRA or other eligible plan are not taxed until they are withdrawn from the IRA or plan.

181 *When is there an early withdrawal penalty tax?*

The IRS imposes a 10 percent early withdrawal tax on amounts received from the TSP if the employee separates or retires before the year in which they reach age 55 and withdraw their account in a single payment or a series of monthly payments. In this case, the employee would be subject to the penalty tax on all amounts received before age 59^{1/2} (including financial hardship in-service withdrawals).

However, the penalty tax does not apply to a series of monthly payments based on life expectancy, nor is it imposed on annuity pay-

ments made because of death, or payments made to participants who retire on disability.

EMPLOYEE AND EMPLOYER

CONTRIBUTIONS TO THE TSP

182 *How do employees make contributions to the Thrift Savings Plan?*

Contributions can only be made through payroll deductions. Thus, participants must be in a pay status (i.e., receiving a paycheck from the government or Postal Service) to make contributions.

183 *How much can employees put into the Thrift Savings Plan?*

In 2006, the IRS annual limit on employee contributions is \$15,000.

184 *How much will the government (i.e., the Postal Service) automatically contribute to FERS employees TSP accounts?*

The USPS will automatically contribute 1 percent of each FERS employee's basic pay to the TSP each pay period, even if the employee contributes nothing. (CSRS employees do not receive the automatic contribution.)

185 *How much of a FERS employee's contributions to the TSP will the government (i.e., the Postal Service) match?*

The USPS will match 100 percent of the first 3 percent of basic pay contributed to the TSP by postal employees covered by FERS. In addition, it will match 50 percent of the next two percent of basic pay that FERS employees save.

There is no government/USPS matching feature above the first five percent contributed. (CSRS employees do not receive matching TSP contributions from the government.)

186 *What are "catch-up" contributions?*

"Catch-up contributions" are supplemental tax-deferred employee contributions, which are in addition to regular contributions. These supplemental contributions can be made by participants age 50 or older who would like to make contributions above the maximum amount they could otherwise make to the TSP.

Because catch-up contributions are supplemental, they do not count against either the regular TSP contribution (percentage) limits or the IRS elective deferral

limit. However, the combination of regular and catch-up TSP contributions cannot exceed the total IRS contribution limit for the year.

TSP INVESTMENT OPTIONS

187 *How are contributions to the TSP invested?*

TSP savings are invested in five different investment funds, the G, C, F, S and I Funds. Participants may choose how to allocate their payroll contributions and fund balances among these five funds on their own, or they may allow the Federal Thrift Investment Board to automatically manage their investments among the five funds by selecting the Lifecycle Fund or L Fund option. Each investment option is described below:

• **Government Securities Investment (G) Fund.**

Contributions to the G Fund are invested in special short-term U.S. Treasury securities. Treasury securities, which are essentially loans to the Federal Government, are the safest investments available to TSP participants.

• **Common Stock Index Investment (C) Fund.** Fund contributions are invested in a representative sample (or index)

of all stocks listed on the major domestic stock exchanges. Stocks are certificates of ownership in a company which may appreciate in value over time and frequently pay periodic, variable payments called dividends.

• **Fixed Income Index Investment (F) Fund.**

Contributions directed to the F Fund are invested in a representative sample of U.S. government and corporate bonds. Bonds are debt securities, with maturities of between 10 and 30 years, that usually pay a fixed interest rate or coupon. Bonds may be traded and frequently rise and fall in value in response to changes in the economy and, to a lesser extent, corporate performance, interest rates and the fortunes of companies which issue them.

• **Small Capitalization Stock Index Investment (S) Fund.**

Contributions to the S Fund are invested in the stocks of smaller companies (i.e., those not included in the S&P 500), shares

that often offer higher returns but at much greater risk than the large company stocks of the C Fund.

• **International Stock Index Investment (I) Fund.**

Retirement savings invested in the I Fund are used to purchase shares in companies active outside the United States—shares that are subject to currency risk as well as the market and credit risk associated with the C Fund’s domestic shares.

• **Lifecycle (L) Fund.** The L Funds are “lifecycle funds” that are invested according to a professionally determined mix of stocks, bonds, and securities. There are five L Fund options, each offering a different combination of investments in the five basic TSP funds (G, C, F, S and I). The precise combination is determined by how many years participants are from withdrawing their TSP funds. Over time, the mix of investments in the L Funds become more conservative—more bonds and fewer stocks—as participants get older.

188 *Can an employee lose money investing in the TSP?*

Yes, it is possible, though very unlikely if investments are made over the long-term. In fact, there is very little risk in investing in the G Fund, even in the short-term. But the other Funds do involve some risk but with higher level of risk comes higher rates of returns.

189 *Who manages the TSP’s investment funds?*

The Federal Retirement Thrift Investment Board manages the G Fund and the L Funds. The Board has contracts with Barclays Global Investors, a company owned by Barclays PLC, to manage the F, C, S, and I Fund assets in index funds open only to tax-exempt employee benefit plans. (These index funds are not open to individual investors.)

190 *How do employees know how much they have invested in the TSP?*

Employees who have a TSP account are sent periodic statements from the Thrift Investment Board’s record-keeper. The statements provide information about the balances in employees’ accounts as well as detailed summaries of account activity. It also provides information about the rates of return earned by the five investment funds. Employees can access their TSP account information on line at www.tsp.gov

191 *What is the TSP ThriftLine?*

The ThriftLine is the automated telephone service for the TSP and generally available 24 hours a day, 7 days a week, from a touch-tone telephone. The ThriftLine, 1-877-968-3778 can be used to find out plan news, monthly rates of return for the investment funds, the most recent 12-month rates of return, the current loan

interest rate, and current annuity interest rate index. The ThriftLine can also be used to request a new PIN.

Participants in the TSP can use the ThriftLine to obtain information about their account or to execute certain transactions. (Social Security number and TSP PIN will be needed.) Participants can find out their account balance, amount available to borrow, and status of any loan or withdrawal request. Participants can also change their existing PIN to a PIN of their choice and request a contribution allocation or an interfund transfer.

192 *What is the TSP Web site?*

The TSP Web site is the most efficient way to get up-to-date information about the TSP, monthly and historical rates of return for the investment funds, the current loan interest rate and annuity interest rate index, and copies of TSP materials. There are interactive calculators to project the growth of a participant's account using different assumptions of salary, number of years until withdrawal, and rates of return, and to estimate annuity payments from different types of TSP annuities. In the case of a lost or forgotten TSP PIN, the Web site can be used to request that a new one be sent.

Participants in the TSP can use the secure area of the Web site to obtain information about their account or to execute certain transactions. Participants can find out their account balance, the amount available for borrowing, and the status of a loan or withdrawal request. The site can also be used to change an existing PIN, change the allocation of future payroll contributions among the funds, and request an interfund transfer in the secure area of the Web site.

193 *May a TSP participant stop making contributions at any time?*

Yes. An employee can halt contributions at any time. If an employee elects to discontinue making contributions during an open season period, he or she may resume contributions in the next open season. If the election to halt contributions is made outside of an open season period, the employee must wait for one open season to pass before he or she can begin making contributions again.

194 *May a TSP participant alter the way his or her payroll deductions for the Thrift Savings Plan are invested among the five investment funds at any time?*

Yes.

195 *What is a TSP interfund transfer?*

An interfund transfer is the movement of past TSP contributions from one investment fund to another (e.g., from the G Fund to the F Fund). TSP participants may make one interfund transfer per month.

196 *Are there restrictions on what contributions and earnings an employee may transfer?*

There are no restrictions. In fact, FERS employees are able to transfer agency automatic and matching contributions, as well as the earnings derived from such contributions, among the investment funds.

197 *How do TSP participants request interfund transfers?*

The TSP Web site and the ThriftLine are the most efficient ways. Participants can also submit an interfund transfer request on Form TSP-50, Investment

Allocation, and mail it to the TSP Service Office.

198 *When do interfund transfers take effect?*

If you request an interfund transfer on this Web site or the ThriftLine before 12:00 noon, EST, your request will ordinarily be processed and posted to your account at the close of business on that day. Requests made after 12:00 noon, EST, will ordinarily be processed and posted to your account at the close of business on the following business day. If you use Form TSP-50, your request will generally be processed and posted to your account within two business days of the day it is received by the TSP.

GETTING FUNDS OUT

OF THE TSP

199 *Can a TSP participant withdraw the money in his or her TSP account while still employed by the Postal Service or other government agency?*

Yes, employees who are facing hardship situations or who reach age 59½ and want to make account withdrawals for any reason may now do so. In-service withdrawals before age 59½ will be subject to the 10 percent early withdrawal penalty tax (which does not apply to those making age-based withdrawals). Both forms of withdrawals will be taxable income in the year in which payment is made, and may be subject to the mandatory 20 percent federal income tax withholding unless rolled into an IRA.

200 *Can a TSP participant who separates from the USPS or other federal agency leave his or her savings in the TSP?*

Yes. After leaving the service, the entire account balance can be left in the TSP until April 1 of the calendar year after the participant reaches age 70½, or in which the participant retires if working beyond that age. If withdrawal is not made by this deadline, the TSP account must be paid to the participant in the form of an annuity, as required by law.

201 *May an employee continue to make contributions to the TSP after separating from the Postal Service or other federal agency?*

No. Although they will continue to receive TSP participant statements and continue to have the right to shift their savings among the TSP's investment funds, separated employees may not make additional contributions to the TSP. Their accounts will continue to accrue earnings as long as their savings remain in the TSP.

202 *What are the basic TSP withdrawal options?*

- Transfer his or her vested account balance to an Individual Retirement Account (IRA) or other eligible retirement plan; or
- Receive his or her account balance in a lump-sum payment; or
- Receive his or her account balance in substantially equal payments over a fixed period of time or in a fixed amount until the account is depleted; or
- Receive a life annuity based on the amount in his or her account.

203 *May an employee who qualifies for FERS or CSRS disability benefits withdraw his or her TSP savings?*

Yes. He or she has the same withdrawal options as those described in the answer to question 202.

204 *If an employee chooses to withdraw his or her funds from the TSP by means of a life annuity, how many different types of annuities are available?*

The TSP offers 18 different types of annuities, which fall into three major categories:

- *Single Life* annuities, payable as long as the participant lives. Variations within this type of annuity include those with cost-of-living adjustments, cash refund options and features which guarantee the distribution of the participant's TSP account balances within 10 years.

- *Joint Life with Spouse* annuities, payable as long as the participant and his or her spouse lives.

Variations within this type of annuity include those with cost-of-living adjustments, cash refund options and varying levels of survivor annuities.

- *Joint Life with Other Survivor* annuities, payable as long as the participant and a named person with an insurable interest lives.

Variations within this type of annuity include those with cash refund options and varying levels of survivor annuities.

Additional information is available in a booklet entitled "Thrift Savings Plan Annuities," available from the Postal Service and other federal agencies.

205 *How does an employee apply to withdraw his or her savings from the TSP?*

Upon separation, the Postal Service (or other employing federal agency) is required to furnish the employee a TSP Withdrawal Package with the required forms.

206 *Can an employee borrow from his or her TSP account?*

Yes, there are two types of loans—a general purpose loan and a loan for the purchase of your primary residence. You can apply for a general purpose loan with a repayment period of 1 to 5 years, or you can apply for a residential loan with a repayment period of 1 to 15 years. No documentation is required for a general purpose loan, but you must submit documentation (such as a contract for the purchase of your residence) to support the amount you are requesting for a residential loan. Information about the TSP loans is provided by a booklet entitled “Thrift Savings Plan Loans” updated July 2004 available from the Postal Service and other federal agencies.

207 *How much can an employee borrow from his or her TSP account?*

Loan amounts are limited to the value of the employee’s own con-

tributions though not all employees may be able to borrow the maximum, given their salary and ability to repay loans on a timely basis. The minimum loan amount is \$1,000. Participants may have one outstanding loan for general purposes and one residential loan at a time.

208 *What are the terms of TSP loans?*

Prepayment in full is permitted by certified check, money order or cashier’s check. Otherwise, employees repay loans against their accounts through payroll deductions and must pay interest. The term of the loan is set in the application and the rate of interest charged is the rate of return earned by the G Fund during the month in which the loan application is received by the TSP Service Office. Employees who separate from government service must repay their loans in full in order to process any withdrawal request.

SPOUSAL RIGHTS AND TSP

SAVINGS IN CASES OF DEATH

209 *What rights do spouses of participants have with regard to the TSP?*

Spouses have certain rights when participants apply to borrow from their accounts or withdraw funds from the TSP. These rights depend on the participants retirement plan:

- The spouses of TSP participants covered by CSRS will be notified when participants apply for a TSP loan or apply to withdraw from their TSP accounts.
- TSP participants covered by FERS must obtain the written consent of their current spouses in order to receive a TSP loan or withdrawal.

Furthermore, TSP participants covered by FERS who are eligible for retirement benefits when they leave federal service will automatically receive a joint life annuity which provides a 50 percent survivor benefit for their spouses (payable in level payments with no cash refund option), unless they submit a joint waiver signed by themselves and their spouses.

210 *What rights do former spouses of participants have with regard to the TSP?*

- TSP participants may not make any decision with regard to their

accounts which conflict with an applicable court order, decree, or court-approved agreement obtained by their former spouses.

- TSP accounts may be used to enforce TSP participants' legal obligations to provide alimony and/ or child support payments.
- The former spouses of TSP participants must be notified when participants who leave federal service prior to becoming eligible for retirement benefits transfer their TSP accounts to an IRA or other pension plan.

211 *Who gets an employee's TSP funds if he or she should die before receiving any TSP payments?*

The person identified by the employee as the beneficiary of his or her account on Form TSP-3, the Designation of Beneficiary form. If no beneficiary is named, the account will be distributed according to the standard order of precedence.

212 *Who gets an employee's TSP annuity if he or she should die after retirement?*

In the event of death after the TSP office receives a completed annuity request, benefits will be provided in accordance with the former employee's annuity selection.

PART IV: GENERAL RETIREMENT INFORMATION

FEDERAL EMPLOYEES GROUP

LIFE INSURANCE

213 *May an employee, after retirement, keep the basic coverage provided by the Federal Employees' Group Life Insurance (FEGLI) Program?*

Yes. The employee must have been enrolled in the basic coverage for the 5 years immediately preceding retirement or the full period or periods of service during which the basic life insurance was available to the employee, if less than 5 years. On and after December 9, 1980 those who retired had to make a written election as to the amount of their post-retirement basic life insurance coverage they want to retain after age 65, on a form obtained at the employing office. Listed below are 3 choices a retiree may make:

- They may elect to continue under the old system whereby a reduction of 2% per month in the basic life insurance policy value begins at age 65 and declines to 25% of the basic value—no cost to retirees who retired before January 1, 1990. Those who retired after December 31, 1989 and are under age 65 will have to pay for the basic life insurance until they reach 65. The cost for

this coverage is \$0.325 per thousand dollars of coverage.

- They may also elect that the amount will only reduce by 1% per month at age 65 to no less than 50% of the basic policy value—THE EXTRA PREMIUM FOR THIS LESSER REDUCTION COVERAGE IS \$.60 CENTS PER MONTH FOR EACH \$1,000 OF BASIC INSURANCE PAYABLE FROM THE COMMENCING DATE OF ANNUITY UNTIL DEATH.

- They may elect that the amount of basic insurance will not reduce after age 65. THE EXTRA PREMIUM REQUIRED FOR NO REDUCTION BASIC INSURANCE COVERAGE IS \$1.83 PER MONTH FOR EACH \$1,000 OF BASIC INSURANCE PAYABLE FROM THE COMMENCING DATE OF ANNUITY UNTIL DEATH.

If a retiree decides to cancel the increased post-retirement coverage, the amount of basic coverage would be reduced to 25% of face value.

214 *May an employee with the standard optional life insurance policy keep it after retirement?*

Yes. A retiree may retain his optional coverage if he/she: (1) is eligible to continue the basic insurance coverage provided by FEGLI, and (2) had the standard optional coverage in force for not less than the full period or periods of service during which the coverage was available to him/her, or for the 5 years of service immediately preceding retirement. He/she must pay for this optional insurance until age 65, at which time the coverage will decrease by 2% per month until it reaches 25% of the original face value.

215 *May an employee keep the additional optional or family optional life insurance after retirement?*

Yes. An annuitant may retain his/her additional optional or family coverage if he/she: (1) is eligible to continue FEGLI basic insurance coverage and (2) had the additional optional or family life insurance in force for not less than the full period or periods of service during which it was available, or for the 5 years of service immediately preceding his/her retirement. He/she must pay for this additional optional or family insurance until age 65, after which the coverage will fall by 2% per month until the coverage ceases to exist (i.e., after 50 months).

Employees separating for retirement on or after April 24, 1999 can elect to continue these coverages on an unreduced basis by paying premiums past age 65.

216 *What are FEGLI living benefits?*

Effective July 25, 1995, employees or annuitants may elect to receive a lump-sum payment (living benefits) if terminally ill and have a documented medical prognosis that their life expectancy is 9 months or less. The form for electing living benefits (FE-8) is only available from the Office of Federal Employees' Group Life Insurance (1-800-633-4542).

FEDERAL EMPLOYEES

HEALTH BENEFITS PROGRAM

217 *May an employee keep his or her health benefits coverage under FEHBP after retirement?*

Yes, if he or she retires on an immediate annuity and has been continuously enrolled under the FEHBP program (or covered as a family member) over any of the following periods: (1) since his or her first opportunity to enroll, or (2) for the 5 years of service immediately preceding retirement, or (3) during all service in which he or she was eligible to be enrolled.

218 *If a retiree cancels his or her Federal Employees Health Benefits Program coverage, can he or she re-enroll at a later date?*

No. Once a retiree cancels his or her health insurance coverage under the FEHBP, it cannot be reinstated. However, former military members eligible for TRICARE and CHAMPVA coverage can suspend their FEHBP coverage and later return to the FEHBP if TRICARE or CHAMPVA coverage is terminated.

219 *If an employee dies) may his or her survivors continue to be covered by the FEHBP?*

Yes, provided there is a survivor annuity payable and the survivor was covered as a dependent by the employee's FEHBP plan at the time of death.

MEDICARE

220 *What is Medicare?*

Medicare is the portion of Social Security which provides hospital

and medical benefits to elderly and disabled persons. It is comprised of three parts—Part A provides mandatory Hospital

Insurance to cover the costs of hospitalization, while Part B provides optional Medical Insurance to cover the cost of physicians' fees and outpatient services.

Medicare Part D, new in 2006— Medicare outpatient prescription drug plan benefits. Medicare contracts with private companies to offer these drug plans. Enrollment is voluntary, but you must have Medicare Part A and B to be eligible.

221 *How is Medicare financed?*

Medicare Part A (Hospital Insurance) is financed via mandatory payroll taxes levied against employees and their employers. The payroll tax is currently set at 1.45% and is applied to employees' total earnings. (The wage base for all Social Security taxes is indexed to average wages in the U.S. economy and will therefore rise over time—see question 8.)

Medicare Part B is financed through monthly premiums paid by those who sign up for the program, and by payments from the Federal government. The law requires an annual review of Medicare premiums and costs to ensure that the program remains on a pay-as-you-go basis.

222 *Who is eligible for Medicare?*

Most Americans who are age 65 or older are eligible for Medicare Part A (the hospital insurance plan), providing they have worked

enough to qualify for Railroad Retirement, Social Security or government pension benefits. Persons receiving Social Security disability benefits for 24 months also qualify for Medicare Part A coverage. Those not eligible may purchase coverage under Part A.

Almost all U.S. citizens over 65 are eligible for Medicare Part B (the medical insurance plan), even if they are not eligible for Part A. Citizens are automatically enrolled in Part B at age 65, but may decline the coverage if they wish.

223 *What benefits does Medicare Part A provide?*

Medicare hospital insurance (Part A) helps pay for inpatient hospital care, skilled nursing facility care, home health care, and hospice care.

224 *What benefits does Medicare Part B provide?*

Medicare Part B (medical insurance) may help pay for doctors' services, outpatient hospital services, home health visits, diagnostic x-ray, laboratory and other tests, necessary ambulance services, and other medical services and supplies.

225 *What benefits does Medicare Part D provide?*

Medicare Part D, new in 2006, helps pay for insurance coverage for outpatient prescription drugs.

WHAT AN ANNUITANT SHOULD

DO IN CASE OF DIVORCE,

DEATH, OR REMARRIAGE

226 *What should an annuitant do if the person chosen as a survivor annuitant predeceases them or their marriage is terminated by divorce or annulment after retirement?*

In order to request that his or her annuity be restored to the full life rate, the annuitant should write to: U.S. Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017. The annuitant should include his or her handwritten signature on the letter and give his or her CSA (claim) number.

If there are no other dependents, the annuitant may request to change his or her health coverage from “self and family” to “self only”.

In addition, the annuitant may wish to file Designation of Beneficiary forms: SF 2823 and SF 3102 regarding life insurance and lump-sum retirement benefits which may be payable upon his or her death. A copy of the death certificate or divorce/annulment decree should be sent, whichever applies.

227 *What should an annuitant do if a family member dies who is covered by his or her family optional life insurance?*

In order to claim death benefits, an annuitant should obtain a Form FE6-DEP by writing to: U.S. Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017. The annuitant should be sure to give his or her full name, CSA (claim) number, Social Security number, and date of birth in all correspondence. He or she should then send the completed FE6-DEP, as well as a copy of the family member’s death certificate, back to the OPM.

228 *What should an annuitant do if he or she marries or remarries after retirement?*

In order to change an annuity to provide a survivor benefit, the annuitant should write to: U.S. Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017 **within 2 years of the marriage**. The annuitant should be sure to give his or her full name, CSA (claim) number, Social Security number, and date of birth in all correspondence. He or she should also send a copy of the marriage certificate.

The annuitant may also wish to change the beneficiaries of life insurance and any lump-sum payment which may be payable upon his or her death (request SF 2823 and SF 3102 from OPM).

The annuitant may request OPM to change his or her health benefit

plan enrollment to provide family coverage.

Finally, the annuitant may wish to change his or her federal income tax withholdings. Call OPM's Annuitant Express, 1-800-409-6528 to provide the amount of tax you want withheld.

ANNUITY PAYMENTS, UNION

DUES, AND MISCELLANEOUS

INFORMATION

229 *Can an annuitant request that his or her FERS or CSRS annuity payments be sent to a financial institution (via direct deposit)?*

Yes. The person may go to the financial institution of his or her choice and request SF 1199A, which should be completed and sent to the U.S. Office of Personnel Management. Or, the annuitant can call OPM at 1-888-767-6738, or write OPM, Retirement Operations Center, P.O. Box 45, Boyers, PA 16017-0045 to start/change direct deposit.

CAUTION: Annuitants who change financial institutions, should not close their old accounts until their first annuity payment arrives at the new bank—this may be 30-60 days after they notify OPM. This will avoid any problem with a missing payment.

230 *What should an annuitant do if his or her FERS or CSRS annuity check is lost?*

Wait five mail delivery days and notify: U.S. Office of Personnel Management, P.O. Box 7815, Washington, D.C. 20044-7815 or by phone at 1-888-767-6738. This number may also be used if direct deposit payment is not received at the financial institution.

231 *Do FERS annuitants receive separate payments from Social Security, the Thrift Savings Plan and the FERS Basic Benefit Plan?*

Yes. Social Security and FERS annuity payments are issued by the U.S. Treasury. TSP payments may be issued by the U.S. Treasury (in cases of lump-sum and equal payment withdrawals) or by private life insurance companies who sell participants annuity contracts.

232 *If an annuitant receives retirement benefits for both CSRS and FERS service, does he or she receive one or two annuity payments each month?*

FERS and CSRS annuity benefits are combined into a single payment.

233 *When are annuity payments issued?*

Annuity payments are dated the first business day of the month following the month or other period for which the annuity is payable. Every effort is made to have them delivered on that day.

234 *How are NALC union dues withheld from annuity payments?*

Annuitants may have NALC dues withheld by completing Form 1189 and submitting it to his or her local NALC branch. The branch will forward it to NALC Headquarters in Washington, D.C.

235 *When will an annuitant's NALC union dues begin to be withheld from his or her annuity payments?*

There is usually some delay after Form 1189 is filed. Once the U.S. Office of Personnel Management in Washington, D.C. completes final action on a retiree's annuity

application, there is a retroactive amount withheld for dues from one of his or her annuity payments. The next month, the normal monthly amount will be withheld for dues.

236 *Are annuitants who are NALC members covered by the NALC's accidental death insurance program?*

Yes. The Mutual Benefit Association, NALC, 100 Indiana Avenue, NW, Washington, D.C. 20001 provides retired members of the NALC with a \$5,000 accidental death insurance policy.

237 *Do local branches of the NALC provide death benefits?*

A number of local branches of the NALC provide a death benefit when a member dies—the survivor should contact the local NALC branch upon the member's (active or retired) death.

LEGAL MATTERS AND

ANNUITY BENEFITS

238 *Are annuitants covered by the Hatch Act and therefore prohibited from engaging in certain political activities?*

No. Since annuitants are not active employees, they are not covered by the Hatch Act, a law which partially restricts the political activities of active postal and federal employees.

239 *If an annuitant serves on a jury, will his or her annuity be affected?*

No.

240 *May annuity checks be negotiated under Power of Attorney?*
No.

241 *May an employee voluntarily assign his or her retirement payments as security for a loan or other purpose?*

No.

FEDERAL INCOME TAXES

242 *Are FERS annuity benefits subject to federal income taxes?*

Yes. However, a small percentage of FERS annuity benefits is excludable from taxable income each year. The exclusion represents that portion of a year's benefits which is considered a return of the annuitant's previously taxed retirement contributions. *See IRS Publication 721.*

243 *Are funds withdrawn from the TSP subject to federal income taxes?*

Yes.

244 *May an annuitant have federal income taxes withheld from his or her annuity payments?*

Yes. Annuitants may start, stop or change the amount of tax withheld by calling OPM's Annuitant Express, 1-800-409-6528.

245 *May an annuitant choose not to have federal income tax withheld from annuity payments?*

Yes. Tax withholding is entirely voluntary.

FORMS USED BY FERS

EMPLOYEES AND ANNUITANTS

246 *What forms are frequently used by employees covered by FERS?*

- SF 3102—Designation of Beneficiary
- SF 3104—Application for Death Benefits (basic death benefit, survivor annuity, or lump sum benefit)
- SF 3112—Documentation in Support of Disability Retirement Application
- SF 3106—Application for Refund of FERS Retirement Deductions
- SF 3107—Application for Immediate Retirement
- SF 3107-1: Certified Summary of Federal Service
- SF 3107-2: Spouse's Consent to Survivor Election
- SF 3110—Former Spouse's Consent to FERS Election

- SF 2809—Health Benefits Registration Form
- SF 2810—Notice of Change in Health Benefits Enrollment
- SF 2817—Life Insurance Election
- SF 2818—Continuation of Life Insurance Coverage as an annuitant or compensator
- SF 2823—Life Insurance Designation of Beneficiary
- Form FE6—Claim for Death Benefits (life insurance)
- Form SSA-7004 Request for Earnings and Benefit Estimate Statement

247 *What forms are frequently used by participants in the Thrift Savings Plan?*

TSP-1: Election Form (Postal employees should use Postal/EASE rather than TSP-1.)

TSP-3: Designation of Beneficiary

TSP-9: Change of Address for Separated Participants

TSP-15: Change in Name

TSP-16: Exception to Spousal Requirements

TSP-17: Information Relating to Deceased Participant

TSP-20: Loan Application

TSP-50: Investment Allocation

TSP-60: Request for a Transfer Into the TSP

TSP-70: Request for Full Withdrawal

TSP-72: Request for TSP Materials

TSP-75: Age-Based In-Service Withdrawal Request Package

TSP-76: Financial Hardship In-Service Withdrawal Request Package

IRS Form W-4P: Withholding Certificate for Pension or Annuity Payments

IMPORTANT ADDRESSES

248 *Retirees sometimes need to correspond with the U.S. Office of Personnel Management. What address should be used:*

The general address for correspondence is:

U.S. Office of Personnel
Management
Retirement Operations Center
Boyers, PA 16017

249 *Where can I get general information from OPM, TSP, or NALC via the Internet?*

<http://www.opm.gov/retire>

<http://www.tsp.gov>

<http://www.nalc.org>

250 *Where do I send correspondence with the Federal Retirement Thrift Investment Board about the Thrift Savings Plan?*

• On issues concerning individual accounts:

Thrift Savings Plan Service Office
National Finance Center
P.O. Box 61500
New Orleans, LA 70161-1500

(The TSP Service Office is the primary contact for participants who have left Federal service.)

• On issues of Thrift Board policy:

Executive Director
Federal Retirement Thrift
Investment Board
1250 H Street, N.W.
Washington, DC. 20005-3952

251 *Where do I send correspondence to the Social Security Administration?*

Check with the Social Security Administration office in your local area. Office locations are usually listed in local phone listings.

NOTES:



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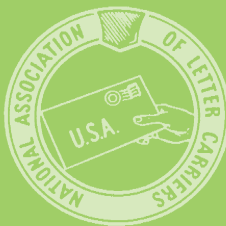
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