

Retirement Basics



Bureau of Indian Education
Human Resources Office
August 2017

Objectives

Participants will be able to:

- Describe the 3 retirement systems
- Explain factors considered for retirement eligibility versus computation
- Describe steps for retirement planning
- Identify sources of information available for research

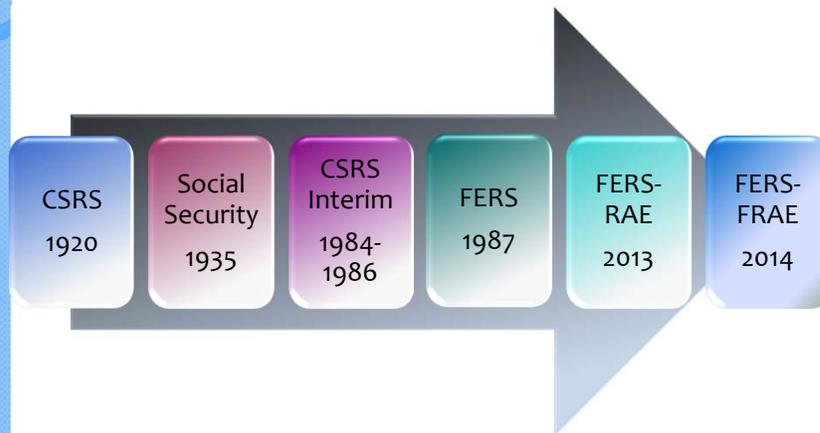
Retirement Systems

Which retirement system
are you in?

FICA – CSRS - FERS

And what does it mean?

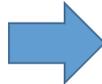
Retirement Systems



How can I tell what system I am covered by?

- SF50B – Notification of Personnel Action

- Block 30



Standard Form 50
 (Official of Personnel Management)
 (Form 2843) (Rev. 8-82)

NOTIFICATION OF PERSONNEL ACTION

Name and Title: PUBLIC, JOHN Q.
 Grade: 123-45-6789
 Date of Birth: 01-01-50
 Effective Date: 01/01/04

FIRST ACTION
 1. A. Code: B. Nature of Action: 171 FIC APPT NTE 09-30-04
 1. C. Code: D. Legal Authority: P.L., 95,561

SECOND ACTION
 2. A. Code: B. Nature of Action:
 2. C. Code: D. Legal Authority:

7. FROM: Position Title and Number
 PERSONNEL GURU
 D00201 0012340 5611234

8. TO: Position Title and Number
 PERSONNEL GURU
 D00201 0012340 5611234

9. Pay Plan (9.1, 9.2, 9.3), Grade (9.4), Step (9.5), Rate (9.6), Total Salary (9.7), Pay Period (9.8), Pay Date (9.9), Total Salary (9.10), Pay Period (9.11), Pay Date (9.12)
 9.1: CY 0111 09 21 51.00

14. Name and Location of Position's Organization
 BUREAU OF INDIAN AFFAIRS

EMPLOYEE DATA
 23. Veterans Preference: 1. 10 Points/Classification 2. 10 Points/Classification 3. 10 Points/Classification
 24. Position Category: 1. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 841. 842. 843. 844. 845. 846. 847. 848. 849. 850. 851. 852. 853. 854. 855. 856. 857. 858. 859. 860. 861. 862. 863. 864. 865. 866. 867. 868. 869. 870. 871. 872. 873. 874. 875. 876. 877. 878. 879. 880. 881. 882. 883. 884. 885. 886. 887. 888. 889. 890. 891. 892. 893. 894. 895. 896. 897. 898. 899. 900. 901. 902. 903. 904. 905. 906. 907. 908. 909. 910. 911. 912. 913. 914. 915. 916. 917. 918. 919. 920. 921. 922. 923. 924. 925. 926. 927. 928. 929. 930. 931. 932. 933. 934. 935. 936. 937. 938. 939. 940. 941. 942. 943. 944. 945. 946. 947. 948. 949. 950. 951. 952. 953. 954. 955. 956. 957. 958. 959. 960. 961. 962. 963. 964. 965. 966. 967. 968. 969. 970. 971. 972. 973. 974. 975. 976. 977. 978. 979. 980. 981. 982. 983. 984. 985. 986. 987. 988. 989. 990. 991. 992. 993. 994. 995. 996. 997. 998. 999. 1000.

- 1 – CSRS
- 2 – FICA (Social Security)
- C – CSRS & FICA
- K – FERS & FICA
- KR – FERS-RAE & FICA
- KF – FERS-FRAE & FICA

Review your electronic Official Personnel Folder (eOPF)

<https://eopf.opm.gov/doi/>
 (must be on BIE network)

How can I tell what system I am covered by?

- Leave & Earnings Statement
 - See Employee Deductions – Example for FERS

Basic Information		Agency	
Service Comp Date	05/31/1994	Duty Station	IN
Dept ID		Pay Begin Date	08/01/04
Organization Code		TSP Roth Amt/%	
TSP Tax Deferred Amt/%	5%		
Your Pay Consists of		Current	YTD
Gross			
Total Deductions			
Net Pay			
		Tax Information	
		Federal	
		State	NM
EARNINGS			
Type	Rate	Adj	
Regular			
DEDUCTIONS			
Type	Misc	Adjusted	Current
Federal Tax			584.82
Health Benefits			91.03
TSP Tax Deferred	104		1,632.12
Retirement - FERS			174.92
Medicare Tax	.8		3,145.04
FEGLI - Optional	1.45		27.99
Thrift Savings Plan Loan			503.26
			49.35
			37.70
			887.42
			147.29
			0.00
BENEFITS PAID BY GOVT			

Retirement Systems

CSRS	FERS
7% to CSRS Fund	.80% to FERS Fund (3.1% for FERS-RAE) (4.4% for FERS-FRAE)
Social Security – ____% (unless CSRS Offset) ____%	Social Security ____%
Medicare 1.45%	
TSP – employee share (deferral limit \$_____ for ____)	
TSP – Gov’t share is 0	TSP-Gov’t share Agency Automatic 1% Match up to first ____%

How do I know how much I am saving for Retirement?

- Leave & Earnings Statement
 - Employee Deductions (this example is FERS)

Basic Information			
Service Comp Date	05/31/1994	Agency	
Dept ID	IN	Duty Station	
Organization Code		Pay Begin Date	
TSP Tax Deferred Amt/%	5 %	TSP Roth Amt/%	
Your Pay Consists of	Current	YTD	Tax Informat
Gross			Federal
Total Deductions			State NM
Net Pay			
EARNI			
Type			
Regular			
DEDUC			
Type	Misc	Adjusted	Current YTD
Federal Taxes			584.82 10,518.46
Health Benefits - Pretax	104		91.03 1,632.12
TSP Tax Deferred			174.92 3,145.04
Retirement - FERS	.8		27.99 503.26
Medicare Tax	1.45		49.35 887.42
FEGLI - Optional			37.70 523.00
Thrift Savings Plan Loan			147.29 0.00

How do I know how much I am saving for Retirement?

- Leave & Earnings Statement
 - Employee Deductions (this example is FERS)

BIA	Cumulative Retirement Agency	\$2018.63
NM	FLSA Class	EXEMPT
08/09/2015	Financial Institution	
10 %		

ion	Marital Status	Exemptions	Additional Withholding	Current Wages	YTD Wages
	S	1	0.00		58,056.65
	S	1	0.00		58,056.65

Rate	Adjusted	ADJ Hours	Hours	Current	YTD
			80.00		

Type	Misc	Adjusted	Current	YTD
State Tax 1 / NM			135.58	2,438.06
Dental/Vision			2.72	67.06
TSP Roth			349.84	6,290.08
OASDI Tax	6.2		211.03	3,794.50
FEGLI - Regular			14.10	253.50
Long Term Care Insurance			81.31	1,463.58

How do I know how much I am saving for Retirement?

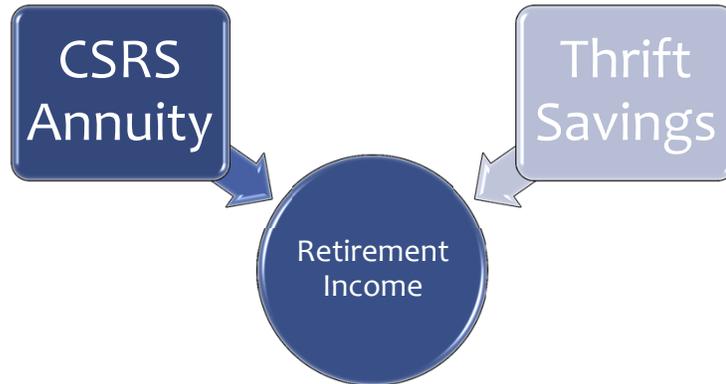
- Leave & Earnings Statement
 - Government Contributions (this example is FERS)

BENEFITS PAID BY GOVT.

Type	Current	YTD
FEGLI	7.05	126.76
Medicare	49.35	887.42
TSP Basic	34.98	628.94
FERS	461.79	8,302.92

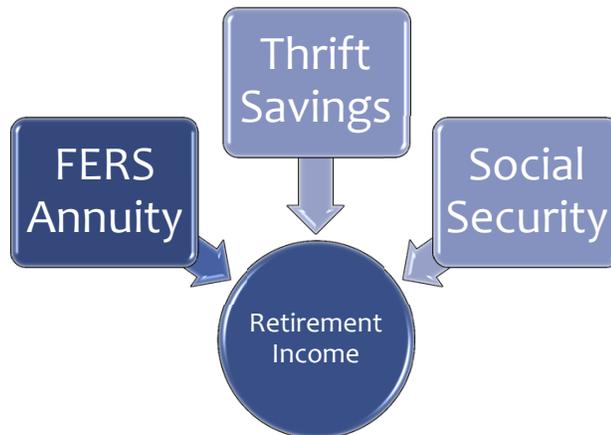
Type	Current	YTD
FEHB	202.01	3,625.52
OASDI	211.03	3,794.50
TSP Matching	139.94	2,516.10

CSRS: Retirement Income



*CSRS Offset employees may have Social Security benefit

FERS: Retirement Income



Types of Retirement



- Optional or immediate voluntary
 - Does it require Approval?
- Disability – 2X paperwork
 - Depends on OPM approval
 - Can take 6-8 months after submitting application
- “Early Out” (OPM authority)
 - Agency must apply for time-limited authority
 - Reduced age & service requirements
- Discontinued Service or DSR
 - Generally applied during RIF
 - reduced age/service requirements
- Deferred – no benefits, frozen Hi-3
 - FERS employees have Postponed option that allows for health & life insurance

Retirement Eligibility: Age & Service Requirements



- Contributing to retirement fund (being in “covered” position)
- Age at Retirement
- Years of Creditable Service (retirement Service Computation Date)

Voluntary Retirement

CSRS: Age & Service Requirements

- Must have at least 5 years of Federal Civilian service
- 1 of last 2 years under CSRS
- Age & Service requirements
 - 62 years of age & 5 years of service
 - 60 years of age & 20 years of service
 - 55 years of age & 30 years of service

Voluntary Retirement

FERS: Age & Service Requirements

- Must have at least 5 years of civilian service
- Age & Service requirements
 - 62 years of age & 5 years of service
 - 60 years of age & 20 years of service
 - Minimum Retirement Age (MRA) & 30 years of service
 - MRA & 10 years of service (* reduction for being under age 62 – 5% per year)

FERS: Minimum Retirement Age

If you were born	Your MRA is
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953-1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

Retirement Eligibility: Service Requirements



- HRO conducts research (aka Data Scrub)
- Research Service History
 - Review of Official Personnel Folder for creditable service
 - Track down other periods of service (other OPFs)
 - Check for part-time or intermittent periods
 - Check for correct coverage
 - Math... calculate service computation date (SCD)

Retirement Eligibility: Collecting Additional Data

- Benefits & Salary
 - Current benefits and how long have had them
 - To continue life & health insurance, in place for 5yrs (or earliest opportunity) prior to retirement date
 - Math... calculate salary



Service Requirement: What is Creditable Service?

- Review service periods
 - Retirement Eligibility?
 - Calculation of monthly annuity?
- Calculate Retirement SCD
 - Not on LES or SF50
 - May or may not match Leave SCD

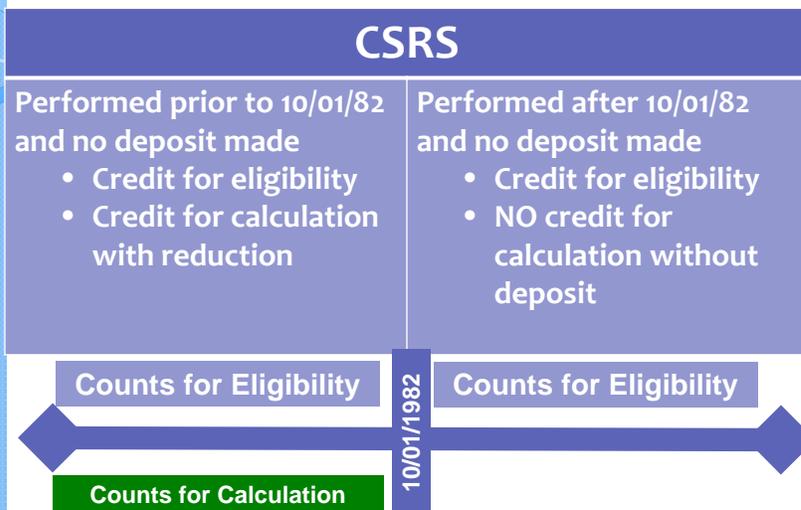


Service Requirements: What is Creditable Service?

- 3 categories outside of “covered” service
- Temporary time or FICA time
 - Work periods not covered by retirement contributions
 - Referred to as “deposit time”
- Military Service periods
 - Service covered under FICA
 - Research military earnings
 - Regular service vs National Guard
- Refunded service
 - Withdrew retirement contributions and interest



Temporary Service or FICA time



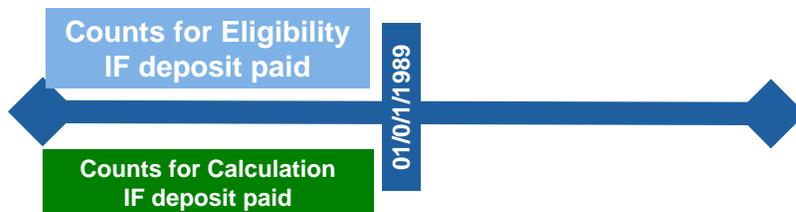
Temporary Service or FICA time

FERS

Performed prior to 01/01/89
MUST make deposit to
count for eligibility &
calculation

Performed after 01/01/89,
NO option to make deposit

- No credit for eligibility
- No credit for calculation
- Credit for Social Security benefits ONLY



Military Service (post-1956)



CSRS

FERS

Honorable Discharge (member copy 4 of DD214)

If military retired pay, must be waived unless combat-connected disability

7% Deposit Require

3% Deposit Required

Interest applies

Requires info from Defense Finance Accounting System (DFAS)

- If hired BEFORE 10/01/82, no deposit required for credit (re-evaluate at age 62 to see if SSA or Agency claims)
- If hired AFTER 10/01/82, deposit required for credit

No credit for eligibility without deposit
No credit for calculation without deposit

Refunded Service or Redeposit Time

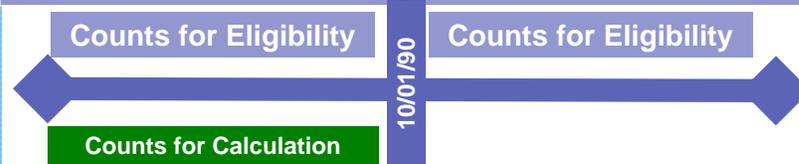
CSRS

Service performed prior to 10/01/90, refunded and no redeposit made.

- Credit for eligibility
- Credit for calculation with actuarial reduction applied

Service performed after 10/01/90, refunded and no redeposit made.

- Credit for eligibility
- No credit for calculation without deposit



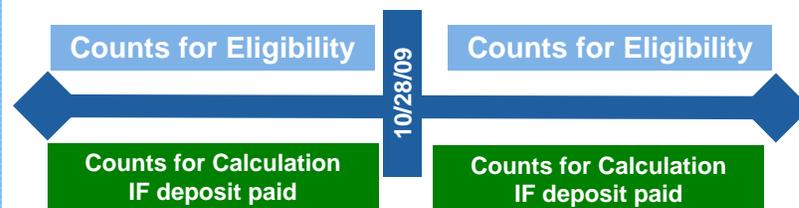
Refunded Service or Redeposit Time

FERS

Must be employed on or after 10/28/2009 to credit for eligibility

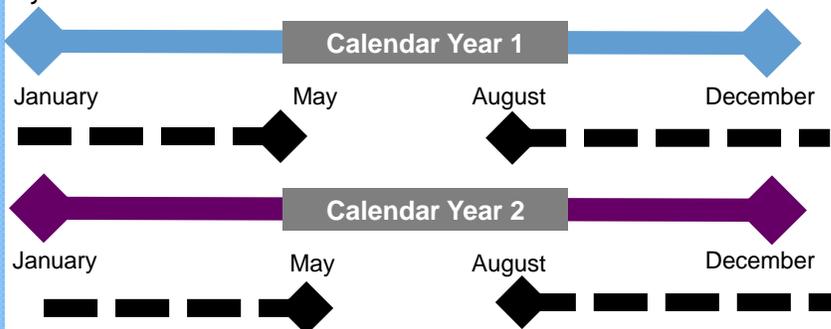
- No deposit required

Credit for calculation when deposit made



Do School year employees receive 12 months service credit?

More than 6 months of non-pay periods in a calendar year is NOT creditable *



*Exceptions under OWCP or USERRA

What about unused Sick Leave?

- No payments for unused sick leave
- Is NOT used to add time to meet eligibility
- Is NOT used to extend hi-3 salary period
- Is used to add to time to calculate annuity
- Unused sick leave is converted to days-months-years

Example: 2087hours = 1year



Retirement: Annuity Calculation



- Years of creditable service
- Unused sick leave
- Average 3 consecutive years of highest salary
 - Normally last 3 years of service
 - School Year & Short Term Contracts
 - Report annual salary on contract begin dates

Example: School year 08/01/16-05/17/17 - \$30,000

Short term 06/01/17-06/30/17 - \$3,000

Short term 07/05/17-07/14/17 - \$4,000

08/01/16– annual salary is \$ _____

06/01/17 – annual salary is \$ _____

07/05/17 – annual salary is \$ _____

Annuity Formula

CSRS	FERS
1.75% X hi-3 salary X 5 years 1.50% X hi-3 salary X 5 years 2.00% X hi-3 salary X remainder years of service	1.00% X hi-3 salary X years of service
Age 57 with 30years of service plus 2087 hours of unused sick leave. Her Hi-3 salary is 30,000	
1.75% X 30,000 X 5 = _____ 1.50% X 30,000 X 5= _____ 2.00% X 30,000 X 21= _____ Total = _____ Divide by 12 = _____	1.00% X 30,000 X 31 = _____ Total = _____ Divide by 12 = _____

Additional Factors Can Affect Annuity Amount



- Part-time service
- Intermittent service
- Redeposit service
- Deposit Service

So what if the prior example Refunded 10yrs?

$$1.75\% \times 30,000 \times 5 = \$2625$$

$$1.50\% \times 30,000 \times 5 = \$2250$$

$$2.00\% \times 30,000 \times 11 = \underline{\hspace{2cm}}$$

$$\text{Total} = \underline{\hspace{2cm}}$$

$$\text{Divide by 12} = \underline{\hspace{2cm}}$$

$$1.00\% \times 30,000 \times 21 = \underline{\hspace{2cm}}$$

$$\text{Total} = \underline{\hspace{2cm}}$$

$$\text{Divide by 12} = \underline{\hspace{2cm}}$$

Additional Factors Can Affect Annuity Amount

- Survivor Benefit
 - Spouse monthly payment after retiree passes away
- Health Insurance
- Life Insurance
- Supplemental dental & vision insurance
- Federal Tax withholdings
- CSRS Offset – Social Security reduction



FERS Special Supplement

- For employees who retire with an immediate annuity before age 62. Calculated based on earnings and lasts only until age 62:
 - MRA with 30 years of service
 - Age 60 with 20 years of service
 - “early out” or “involuntary” retirement
 - Other special provisions for LEOs, FFs, ATCs
- Lasts only until age 62
- Has earnings limitation

FERS Annuity Formula with Supplement

- Similar to reduced Social Security benefit at age 62
- Based on deemed & actual earnings

FERS

Age 57 with 30 years of service plus 2087 hours of unused sick leave. Her Hi-3 salary is 30,000

$1.00\% \times 30,000 \times 31 = \9300
Divide by 12 = \$775

FERS Supplement \$ _____
Lasts only until age 62



What do I do?

Where do I start?

When should I start?

Dreaming of Retirement is Good, Planning for Retirement is Better!



- Review your Official Personnel Folder
 - Check for all service periods
 - Check for Benefit forms
- Understand your current benefits and ask questions

Dreaming of Retirement is Good, Planning for Retirement is Better!

- Understand the retirement requirements
- Attend an in-depth retirement training
 - DOI University class schedule available online
 - Most classes encourage spouses to attend



Dreaming of Retirement is Good, Planning for Retirement is Better!

- Submit a Request for Retirement Estimate
 - Available online www.bie.edu/hr
- Retirement Estimate Request
 - Turn around time 3-4 weeks for HRO to mail out
- Consultation session (telephone or in-person)
 - Review service history
 - Review estimate
 - Impact of Social Security and/or TSP
 - Timeline of process
 - Walk-through of application



Dreaming of Retirement is Good, Planning for Retirement is Better!

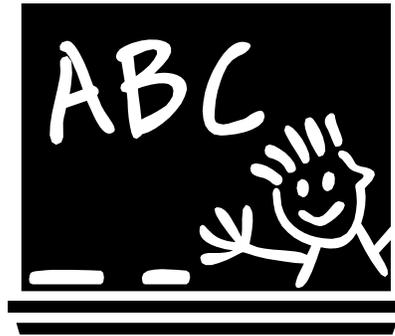
- Recognize the life change
 - Save money
 - Reorganize bills
 - Find hobby or other non-Federal employment



Online Research

- Gather information, read your statements:
 - ✓ Leave & Earnings www.employeeexpress.gov
 - ✓ Social Security www.ssa.gov
 - ✓ Thrift Savings Plan www.tsp.gov
or call 1-877-968-3778
- Check out www.opm.gov/retire for more information on requirements

Thank You! Class Dismissed!



Questions?
Email us at
Benefits@bie.edu