



American
Benefits
Exchange



FEDERAL BENEFITS WORKBOOK

AMERICAN BENEFITS EXCHANGE BENEFITS REVIEW

Employee Name: _____ Employer: _____ Age: _____

Base Salary: \$ _____ Years of Service: _____ Retirement System: CSRS FERS

TSP Contribution: _____ TSP Balance: \$ _____ FEGLI: Basic Opt A Opt B Opt C

Representative Name: _____ Representative Phone #: _____

About American Benefits Exchange

American Benefits Exchange is a premier National Marketing Organization firmly established in the financial services field. American Benefits Exchange leads the way in providing valuable financial products to specialized markets which include employees of federal, state, and municipal governments, members of our United States Armed Forces, and small businesses.

Specialties Include:

- Civil Service Retirement off-set
- Civil Service Retirement System (CSRS)
- Computation of Retirement Annuity
- Deposits and Re-deposits
- Disability Insurance Coverage
- Early Retirement
- Federal Employees Group Life Insurance (FEGLI)
- Federal Employees Retirement System (FERS)
- Federal Long Term Care Insurance Program
- FERS Transfer
- Law Enforcement, Air Traffic Controller and Firefighter Retirement
- Military Service Buy Back
- Re-employed Annuitants
- Retirement Package Completion
- Survivor Benefit Options
- Thrift Savings Plan
- TSP Contribution Limits
- TSP Fundamental Plans for Investing
- TSP History and Market Strategies
- TSP In-Service Withdrawals
- TSP Loans and Their Effect
- TSP Maximizing Accumulation
- TSP Using the L-Funds
- TSP Withdrawal Options
- Windfall Elimination Provision

American Benefits Exchange Actively Works with the Following Government Unions, Organizations, and Associations:

- American Correctional Association
 - American Postal Worker's Union
 - American Society of Military Comptroller's
 - Army Corps of Engineers
 - Blacks in Government
 - Department of Defense
 - Department of Homeland Security
 - Department of Veteran's Affairs
 - Federally Employed Women
 - Federal Managers Association
 - Internal Revenue Service
 - National Active and Retired Federal Employees
 - National Association for Employee Benefits
 - National Association of Postal Supervisors
 - National Association of Postmasters of the United States
 - National Treasury Employees Union
 - Social Security Administration
 - United States Department of Agriculture
-and more!

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

The group policy coverage available to most federal employees, including part-time employees, through the **Federal Employees' Group Life Insurance (FEGLI)** program is administered by the **Metropolitan Life Insurance Company** under a contract with the **Office of Personnel Management (OPM)**.

Basic Life Insurance

Your basic insurance amount depends on your **annual basic pay rounded to the next thousand plus \$2,000**. This excludes **Cost of Living Adjustment (COLA)**. The minimum amount of basic life insurance is \$10,000, for those earning \$8,000 or less. **The cost of Basic Life Insurance is 15 cents bi-weekly or 32.5 cents monthly per thousand; however free for postal employees.**

Yes **No** \$ _____

Basic Life Insurance - Extra Benefit

As indicated in the chart below, for employees age 35 or under, their basic coverage is multiplied by two. Beginning at age 36, the multiplication factor for the amount of basic (extra benefit) insurance declines by 10% each year, until this **extra benefit ends at age 45**.

Age	Factor	Age	Factor
35 & under	1.0	40	0.5
36	0.9	41	0.4
37	0.8	42	0.3
38	0.7	43	0.2
39	0.6	44	0.1



Current Benefit: \$ _____

Years Remaining: _____

Continuation of Basic Coverage After Retirement

The change in premiums is effective the first of the month following the month in which you reach age 65 or retire (if later). After age 65, Basic Life Insurance is free for all retirees who choose the 75% Reduction option. The 50% and No Reduction premiums, which are listed below, continue for life.

75% Reduction - This calls for coverage to be reduced by **2%** a month, beginning at age 65, with an ultimate reduction to 25% of the base policy value. Anyone who retires on or after January 1, 1990, must pay the same premium as active employees until age 65, (i.e. **\$.325** per month per \$1,000 of coverage). No further premium will be withheld after the calendar month in which the retiree becomes 65.

$$\begin{array}{r}
 \text{\$0.325} \times \frac{\text{_____}}{\text{(Per \$1,000)}} = \$ \frac{\text{_____}}{\text{(Monthly Cost)}} \qquad \qquad \qquad \$ \frac{\text{_____}}{\text{(Total Benefit After Reduction)}}
 \end{array}$$

50% Reduction - This consists of a reduction of **1%** a month beginning at age 65, which continues until coverage reaches 50% of the basic policy value. There is a higher premium charged for the lesser reduction (i.e., **\$.965** per month per \$1,000 of coverage until age 65 and **\$.64** a month per \$1,000 of coverage thereafter).

Until Age 65: $\text{\$1.035} \times \frac{\text{_____}}{\text{(Per \$1,000)}} = \$ \frac{\text{_____}}{\text{(Monthly Cost)}} \qquad \qquad \qquad \$ \frac{\text{_____}}{\text{(Total Benefit Before Reduction)}}$

After Age 65: $\text{\$0.71} \times \frac{\text{_____}}{\text{(Per \$1,000)}} = \$ \frac{\text{_____}}{\text{(Monthly Cost)}} \qquad \qquad \qquad \$ \frac{\text{_____}}{\text{(Total Benefit After Reduction)}}$

No Reduction - This choice results in a larger premium being charged - **\$2.265** per month per \$1,000 of coverage until age 65 and **\$1.94** per month per \$1,000 of coverage thereafter.

Until Age 65: $\text{\$2.455} \times \frac{\text{_____}}{\text{(Per \$1,000)}} = \$ \frac{\text{_____}}{\text{(Monthly Cost)}} \qquad \qquad \qquad \$ \frac{\text{_____}}{\text{(Total Benefit Before Reduction)}}$

After Age 65: $\text{\$2.13} \times \frac{\text{_____}}{\text{(Per \$1,000)}} = \$ \frac{\text{_____}}{\text{(Monthly Cost)}} \qquad \qquad \qquad \$ \frac{\text{_____}}{\text{(Per \$1,000)}}$

** These rates will be effective the first pay period beginning on or after January 1, 2016.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

Basic Life Insurance - Option A (Standard Optional Insurance)

Option A is a fixed amount of \$10,000 of coverage. An employee must have Basic coverage to be eligible for Option A. The costs are as follows:

Yes No \$ _____

Age Group	Bi Weekly	Monthly
Under 35	\$0.20	\$0.43
35 - 39	\$0.30	\$0.65
40 - 44	\$0.40	\$0.87
45 - 49	\$0.70	\$1.52
50 - 54	\$1.10	\$2.38
55 - 59	\$2.00	\$4.33
60 and over	\$6.00	\$13.00

Continuation of Option A After Retirement

Coverage is free after you turn age 65 or retire (if later). You cannot choose **No Reduction** for Option A. Coverage will reduce by 2% of the pre-retirement amount per month until it reaches 25% of the pre-retirement amount. This begins effective the month following your 65th birthday or retirement, whichever is later.

\$10,000 → **\$2,500**

Basic Life Insurance - Option B (Additional Optional Insurance)

An employee may choose Option B coverage with Basic Life, which is one, two, three, four, or five times the actual rate of basic pay, rounded to the next thousand. The premium per \$1,000 cost of Option B coverage is indicated in the chart below.

Withholding Per \$1,000 Insurance

Age Group	Bi Weekly Factor	Bi Weekly Cost	Monthly Factor	Monthly Cost
Under 35	\$0.02		\$0.043	
35 - 39	\$0.03		\$0.065	
40 - 44	\$0.04		\$0.087	
45 - 49	\$0.07		\$0.152	
50 - 54	\$0.11		\$0.238	
55 - 59	\$0.20		\$0.433	
60 - 64	\$0.44		\$0.953	
65 - 69	\$0.54		\$1.170	
70 - 74	\$0.96		\$2.080	
75 - 79	\$1.80		\$3.900	
80+	\$2.64		\$5.720	

Yes No

Number of Units: 1 2 3 4 5

Current Benefit: \$ _____

Cost Over 20 Years: \$ _____

Cost Over 30 Years: \$ _____

NOTE: Cost does not take into account step increases or pay raises.

Alternative: _____ \$ _____
(Bi-weekly/ Monthly)

\$ _____
(Savings)

Alternative: _____ \$ _____
(Bi-weekly/ Monthly)

\$ _____
(Savings)

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FGLI)

Basic Life Insurance - Option C (Family Optional Insurance)

You may elect Option C, or Family Optional Insurance, as part of your Basic Life insurance. This allows you to cover *eligible family members* in multiples up to five times per unit coverage. One unit is \$5,000 for your spouse and \$2,500 for each child.

- **Eligible Family Members** includes your present spouse and your unmarried, dependent children, including an adopted child, a stepchild, or a recognized natural child who is either living with you or receiving regular and substantial support from you. To be covered, a child must be under 22 years of age or, if over 22, incapable of self-support because of a mental or physical disability that was present before the child became 22 years of age.

The chart below lists the bi-weekly and monthly costs for Option C coverage.

Age Group	Bi Weekly*	Monthly*
Under 35	\$0.22	\$0.48
35 - 39	\$0.27	\$0.59
40 - 44	\$0.41	\$0.89
45 - 49	\$0.59	\$1.28
50 - 54	\$0.92	\$1.99
55 - 59	\$1.48	\$3.21
60 - 64	\$2.70	\$5.85
65 - 69	\$3.14	\$6.80
70 - 74	\$3.83	\$8.30
75 - 79	\$5.26	\$11.40
80+	\$7.20	\$15.60

* The above factors are per unit.

Yes No

Number of Units: 1 2 3 4 5

Spouse (\$5,000 per unit): \$ _____

Each Child (\$2,500 per unit): \$ _____

Continuation of Option B and C After Retirement

Your Full Reduction Option B and C multiples are free after you reach age 65 or retire (if later), but reductions start. The Full Reduction multiples will reduce by 2% of the pre-retirement amount per month for 50 months, at which time that coverage will end. Effective April 24, 1999, Option B and C may be continued after retirement at per \$1,000 rates. You do have the option to continue paying the monthly premiums and maintain coverage.

Accidental Death and Dismemberment

Accidental death benefits are equal to your Basic Life insurance coverage. Accidental dismemberment benefits for the loss of a hand, foot, or eye are equal to half of the Basic Life Insurance Amount; however, if you lose any two of these, the full amount is payable. There is no additional cost for this coverage.

CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Retirement

Retirement benefits are secured by the political commitment of the federal government to honor its agreements with its retired employees, a commitment that can only be altered by a change in law.

Employees hired before 1984 are members of the CSRS unless they elected coverage under the Federal Employee Retirement System (FERS). Employees who were originally hired before 1984, but who leave service and are rehired after December 31, 1983, are eligible to reenter CSRS if they have at least five years of service eligible for credit under CSRS. However, if you return after being gone for over one year, then you will be part of CSRS-Offset, and start paying into Social Security. Upon retirement you will have the same benefit as a CSRS employee until you reach the age for Social Security, then your CSRS Retirement will be reduced by the amount you are receiving from Social Security.

Eligibility to Retire

Benefits under CSRS are payable to workers at least:

- Age 55 with 30 years of service
- Age 60 with 20 years of service
- Age 62 with 5 years of service

The amount of an employee's annuity depends primarily upon the "high-3" average pay and length of service. "High-3" average pay is the highest average annual pay produced by the employee's basic pay rates during any three consecutive years of service.

Earned CSRS Retirement Percentages - Based on Years of Service

Years	Percentage	Years	Percentage	Years	Percentage
5	7.50%	18	32.25%	31	58.25%
6	9.25%	19	34.25%	32	60.25%
7	11.00%	20	36.25%	33	62.25%
8	12.75%	21	38.25%	34	64.25%
9	14.50%	22	40.25%	35	66.25%
10	16.25%	23	42.25%	36	68.25%
11	18.25%	24	44.25%	37	70.25%
12	20.25%	25	46.25%	38	72.25%
13	22.25%	26	48.25%	39	74.25%
14	24.25%	27	50.25%	40	76.25%
15	26.25%	28	52.25%	41	78.25%
16	28.25%	29	54.25%	42	80.00%
17	30.25%	30	56.25%	43	80.00%

Retirement Annuities and Survivor Benefits

Under CSRS, an individual may use all of any portion of the Retirement Annuity for determining the Survivor Annuity. The Survivor Annuity benefit is 55% of the Retirement Annuity, or whatever portion of it is selected for use. The total cost of the Survivor Annuity is 2.5% of the first \$3,600 used as a base, plus 10% of any amount over the \$3,600.

$$\text{Annual Annuity} \left[\times \frac{55}{\% \text{ Survivor Benefit}} = \frac{\text{Annual Survivor Annuity}}{\text{Annual Survivor Annuity}} \right] - \frac{3600}{\text{Annual Survivor Annuity}} = \text{Annual Cost} \times 10\% + 90 =$$

Annual Cost _____

Monthly Cost _____

If you elect not to provide a survivor annuity, you and your spouse must state in writing that you do not wish your spouse to receive an annuity upon your death.

CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Income Before Retirement

Income After Retirement
50% 70% Loss in Income

Surviving Spouse Income



FEHB: The federal employee must at least choose the minimum survivor benefit at retirement in order for their spouse to keep the government health insurance if the federal employee predeceases the spouse in retirement.

If you select the Survivor Annuity Plan, your spouse will receive approximately 55%, or a selected portion, of your Retirement Income upon your death.

Length of Service	Monthly Income	Monthly Retirement Annuity	Difference in Monthly Income	Surviving Spouse Monthly Income	Monthly Cost of Survivor Annuity
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Rules for Special Groups - Law Enforcement Officers and Firefighters

- Can retire at age 50 with at least 20 years of creditable service without reduction in annuity due to retirement prior to age 55
- Must retire at age 57. However, maximum age may be extended with approval to age 60
- Formula: 2.5% per year for the first 20 years x “High 3” + 2% per year over 20 years x “High 3”
- Contributions: 7.5% of Salary + Medicare tax

Rules for Special Groups - Air Traffic Controllers

- Can retire at age 50 with at least 20 years of creditable service, or at any age with 25 or more years of creditable service without reduction in annuity due to retirement prior to age 55
- Must retire at age 56. However, this does not apply to ATCs with the DOT hired prior to 5/6/72, or with the DOD hired prior to 9/12/80
- Formula: Use regular formula. However, annuity will not be less than 50% of “High 3” at retirement
- Contributions: Same as regular CSRS: 7% + Medicare tax

FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

Retirement

All federal civilian workers first hired after 1983 are automatically covered by FERS, created by Congress as a result of the expansion of Social Security to federal employment, beginning in 1984. In FERS, workers who leave before eligibility for immediate benefits can begin to draw benefits at an earlier age than workers under CSRS. Retirement benefits are secured by the political commitment of the federal government to honor its agreements with its retired employees, a commitment that can only be altered by a change in law.

Contributions Towards Retirement System:

FERS— .8% (employees hired after 1984 but before 2013)

FERS RAE— 3.1% (employees hired in 2013)

FERS FRAE— 4.4% (employees hired after 2013)

Eligibility to Retire

Benefits under FERS are payable to workers with at least:

- Age 60 with 20 years of service
- Age 62 with five years of service
- After 30 years of service at the minimum retirement age (MRA), which is displayed in the chart below

The amount of an employee's annuity is calculated as follows:

- If under age 62:
1% x "high-3" amount x years of service
- If at least 62 years old and at least 20 years service:
1.1% x "high-3" amount x length of service

Current Age: _____

Current Years of Service : _____

Age at Retirement: _____

Years of Service at Retirement: _____

"High 3": \$ _____

X 1% or 1.1%

= \$ _____

X Years of Service: _____

Retirement Annuity

Annual: \$ _____

Monthly: \$ _____

If Born:	Minimum Retirement Age:
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
1953 through 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
1970 and after	57

Reduced Benefits for Early Retirement

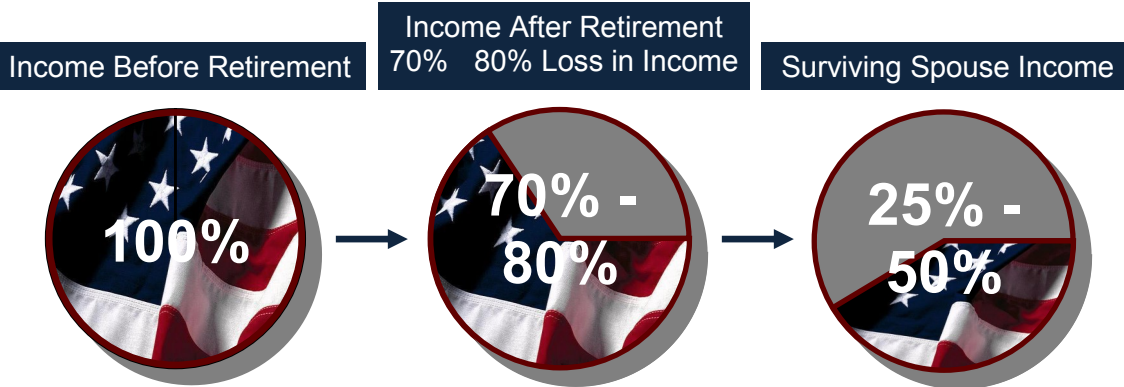
Workers are able to retire at the **MRA with 10 years of service, with a reduction of 5% for each year the worker is under age 62 at retirement.** This option does not exist under CSRS.

Retirement Annuities and Survivor Benefits

Under FERS, an individual may use **25%** or **50%** of the Retirement Annuity for the Survivor Annuity. With the 25% annuity option, if the employee dies, the survivor will receive an annuity of **1/4** of the base annuity. The cost for this option is **5%** of the Retirement Annuity. By selecting the 50% annuity option, the survivor will receive an annuity of **1/2** the base annuity. The cost is **10%** of the Retirement Annuity.

If you elect not to provide a survivor annuity, you and your spouse must state in writing that you do not wish your spouse to receive any annuity upon your death.

FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)



FEHB: The federal employee must at least choose the minimum survivor benefit at retirement in order for their spouse to keep the government health insurance if the federal employee predeceases the spouse in retirement.

If you select the Survivor Annuity Plan, your spouse will receive approximately 25% or 50% of your Retirement Income upon your death.

Length of Service	Monthly Income	Monthly Retirement Annuity	Difference in Monthly Income	Surviving Spouse Monthly Income	Monthly Cost of Survivor Annuity
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Rules for Special Groups - Law Enforcement Officers, Firefighters, and Air Traffic Controllers

- Can retire with unreduced benefits at age 50 with at least 20 years of creditable service, or any age with 25 or more years of creditable service
- Formula: 1.7% per year for the first 20 years x “High 3” + 1% per year over 20 years x “High 3”
- Contributions: 1.3% of salary, plus Social Security and Medicare
- FERS RAE– Hired after January 1, 2013 contribution 3.6%, plus Social Security and Medicare
- FERS FRAE– 4.9%

Rules for Special Groups - Military Reserve Technicians

- Can retire with unreduced benefits at age 50 with at least 25 years of creditable service

COST OF LIVING ADJUSTMENT (COLA)

COLA
 Annual COLAs will be made to pension benefits paid to retirees age 62 and over, based on the CPI. If the CPI is 2% or less, the pension benefit will be adjusted according to when the benefits first commenced; however, the COLA will not be more than 2%. If the CPI increase is between 2% and 3%, the COLA will be equal to 2%. If the CPI increase is more than 3%, the COLA will be equal to the CPI increase minus 1%.

The table below displays the increases received by Federal employees since 2001 for both FERS and CSRS.

Year	FERS Rate	CSRS Rate	Year	FERS Rate	CSRS Rate
2018	2.0	2.0	2013	1.7	1.7
2017	0.3	0.3	2012	2.6	3.6
2016	0	0	2011	0	0
2015	1.7	1.7	2010	0	0
2014	1.5	1.5	2009	4.8	5.8
2014	1.5	1.5	2008	2.0	2.3

THRIFT SAVINGS PLAN (TSP)

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The Federal Retirement Thrift Investment Board administers the TSP and contracts with the U.S. Department of Agriculture's National Finance Center (NFC) to serve as the TSP record keeper.

The Federal Retirement Thrift Investment Board is an independent government agency. The Board consists of five members who serve in a part-time capacity. They are nominated by the President and confirmed by the Senate. The five members of the Board and the Executive Director are required by law to manage the TSP prudently and solely in the interest of the participants and their beneficiaries.

Money in the TSP and earnings on that money cannot be used for any purpose other than providing benefits to participants and their beneficiaries and paying TSP administrative expenses.

Employee Contributions

FERS/CSRS Participants - You can elect to contribute to the TSP at any time; there is no waiting period. The amount you can contribute changes annually. You may elect to contribute any dollar amount or percentage (1 to 100) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit, which is **\$19,500** for 2020. Those 50 & older can contribute an additional \$6,500 in catch-up contributions.

FERS - Once you are eligible, you will receive:

- Agency Automatic (1%) Contributions
- Agency Matching Contributions
- Immediate vesting in Agency Matching Contributions and vesting - generally in three years - in Agency Automatic (1%) Contributions

TSP Loan Program - Terms of Loan

- Residential is 1 to 15 years
- General Purpose is 1 to 5 years

Employer Matches

	FERS	CSRS
1%-3% of basic pay is matched	100%	0%
4%-5% of basic pay is matched	50%	0%
6% +	0%	0%

FERS - 1% automatic agency contribution

TSP Loan Program - Eligibility

You are eligible for a TSP Loan Program under the following criteria:

- If you are a current employee in a pay status
- Your TSP account must have at least \$1,000 in employee contributions and associated earnings
- Your loan balance must be within limits of federal tax law
- The amount left in your paycheck after the loan payment and other deductions must equal to at least 10% of basic pay
- You must document expenses for the allowed purposes or demonstrate financial hardship
- FERS employees must get spousal consent

Investment on TSP Accounts

Both FERS and CSRS employees have the option of investing in any of the six funds offered through the TSP. Employees also have the option of making 12 inter-fund transfers within one calendar year, subject to one transfer per month. The six funds are as follows:

- **G Fund, Government Securities:** managed directly by the Thrift Investment Board and consists of investments in short-term, non-marketable U.S. Treasury securities _____%
- **C Fund, Common Stock Index:** objective is to match the performance of the S&P 500 Index _____%
- **F Fund, Fixed Income:** objective is to match the performance of Barclays US Aggregate Bond Index _____%
- **S Fund, Small Capitalization Stock Index:** objective is to match the performance of the Dow Jones US Completion Total Stock Market Index _____%
- **I Fund, International Stock Index:** tracks the Morgan Stanley EAFE Index of mostly large companies in 20 countries in Europe, Australia, Asia, and the Far East _____%
- **L Funds:** provide employees with a convenient way to diversify their accounts among the G, F, C, S, and I Funds, using professionally determined investment mixes that are tailored to different time horizons. Your time horizon is the date, after you leave the Federal Service, that you think you will need the money in your TSP account. _____%

When investing in the funds, you will sign a statement that you understand that you are making an investment at your own risk. You will not be protected by the U.S. Government or the Federal Retirement Thrift Investment Board against investment loss in the Funds, nor do they guarantee return on your investment.

THRIFT SAVINGS PLAN (TSP)

TSP Rules for Age-Based Withdrawals

Employees can make a one-time only in-service withdrawal of all or any portion of their vested account balance. The request must be for at least \$1,000 (withdrawals of the entire account balance can be made if it is less than \$1,000)

Employees who take an age-based withdrawal will not be eligible for a partial withdrawal after separation from federal service

TSP Withdrawal Options

The TSP provides four basic ways to make withdrawals:

- Have TSP purchase a life annuity
- Receive your TSP funds in a single payment
- Receive your TSP funds in a series of monthly payments
- Transfer or rollover your account to another qualified plan

TSP In-Service Withdrawals

TSP participants who are still employed by the Federal Government can withdraw from their account for only two purposes:

- Age-based in-service withdrawals for participants who are 59½ or older
- Financial hardship in-service withdrawals for participants who can document financial hardship

Employees who have taken an in-service withdrawal cannot return or repay the money from their account.

TSP Modernization Act

When the new withdrawal policies go into effect, you will have more options for how and when you can access money from your TSP account. These options fall into the following categories:

- Multiple age-based (for those 59½ or older) in-service and post-separation partial withdrawals will be allowed.
- You'll be able to choose whether your withdrawal should come from your Roth balance, your traditional balance, or a proportional mix of both.
- You will no longer be required to make a full withdrawal election after you turn 70½ and are separated. (You will still need to receive IRS-required minimum distributions (RMDs).)
- If you're a separated participant, in addition to the option of monthly payments, you'll be able to choose quarterly or annual payments, and you'll be able to stop, start, or make changes to your installment payments at any time.

TSP Withdrawal Upon Separation or Retirement

When employees leave federal service, their agency will give them a withdrawal package which describes TSP withdrawal options and procedures for making them.

Employees must be separated or retired for 31 or more full calendar days to be eligible to withdraw their account. After the account has been disbursed, the request cannot be changed. However, employees receiving a series of monthly payments can request at any time to have the balance of their account paid out in a single payment or change where the payments are sent.

TSP Roth

- Employees may designate their own contributions into the Roth or traditional (non-Roth account). **All agency matching contributions will only be credited into the non-Roth account.**
- All monies already in the TSP account will remain in the non-Roth account and cannot be transferred into the Roth TSP.
- Contributions made to either the non-Roth TSP or Roth TSP **do not affect the ability to start or contribute to an individual IRA.**
- Roth (after-tax)- You pay taxes on your contributions as you make them (unless you are making tax-exempt contributions), and your earnings are tax-free at withdrawal as long as you meet certain IRS requirements.
- Roth TSP is similar to a Roth 401(k), not a Roth IRA. There are no income limits for Roth TSP contributions.
- The TSP cannot accept transfers from Roth IRAs.
- Withdrawals are distributed proportionally according to your account balances.

SOCIAL SECURITY BENEFIT

Covered Federal Employees

All federal employees newly hired after December 31, 1983, are covered by Social Security and will pay Social Security taxes. This also includes employees with previous federal service (other than rehired annuitants) if their break in service was one year or longer.

Fully Insured

Being fully insured is a status achieved after a worker accumulates a specific number of “quarters of coverage” (QC) under the Social Security system. You will need 40 quarters to be fully insured for life. Therefore, an individual employed for at least 10 years in jobs covered by Social Security can normally assume that they are fully insured.

Retirement Age

Under Social Security, an employee may retire any time after reaching age 62 with similar monthly benefits for the rest of his/her life, or may wait until the age of 65 and receive full benefits. Beginning with individuals who reached the age of 62 in 2000, the minimum age for full benefits will gradually rise over a 21-year period until reaching the age of 67 in the year 2022.

If an employee retires before the age of 65, the reduction in retirement benefits is permanent, and consists of 5/9 of 1% of every month’s benefits received before reaching the age of 65. When the minimum retirement age reaches 67, the reduction will consist of 5/9 of 1% of every month’s benefits received before reaching the age of 67. Employees receiving Social Security benefits at the age of 62 before the retirement age increase will receive 80% of their benefits. This will decrease to 70% when the retirement age reaches 67.

Survivor Benefits

If an employee is currently or fully insured, dependents may receive Social Security benefits at the employee’s death, based on earnings history and the number of QCs under Social Security.

The chart below shows the surviving dependents who may receive these benefits and the amounts they would receive. No survivor benefits are paid to a spouse without children or without a disability until the spouse reaches age 60. The Maximum Family Benefit also applies to survivor benefits.

Benefit Dependent	Will Receive
Spouse age 65	100%
Spouse age 62	82.9%
Eligible Parent	82.5%
Spouse age 60	71.5%
Disabled Spouse age 50-59	71.5%
Spouse with eligible child under age 16 or disabled	75%
Each eligible child	75%

Primary Insurance Amount (PIA)

Social Security retirement benefits are based on the age of retirement and on earnings history. The formula for computing benefits, or the PIA, utilizes the highest 35 years of indexed earnings, or Average Indexed Monthly Earnings (AIME), under Social Security to determine the amount of full Social Security benefits.

COLA

All Social Security benefits (basic, dependents, disability, and survivors) will receive cost-of-living adjustments each year, reflecting the percentage increase in the CPI.

Family Benefits

A spouse, former spouse, and children may also be eligible for Social Security dependent benefits when employees retire.

Benefits Paid To	% of Benefit They Receive
Spouse age 65	50%
Spouse age 62	37.5%
Spouse (any age with child under 16 or disabled)	50%
Each eligible child	50%

Note: “Without changes, in 2033 the Social Security Trust Fund will be able to pay only about 77 cents for each dollar of scheduled benefits. We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.”
January 2, 2015 (www.socialsecurity.gov)

FORMS FOR COLLECTING BENEFITS

Civil Service Retirement System (CSRS) / Federal Employees Retirement System (FERS)

	CSRS	FERS	To receive any of the forms call 202-606-0500. To report a death call 202-606-0133. All forms must be filed with the OPM - usually done through your personnel office. You will have one year after separation to file your disability retirement form with OPM. www.opm.gov
Deferred Retirement	SF-1496	R-92-19	
Death Benefits	SF-2800	SF-3104	
Retirement	SF-2801	SF-3107	
Application for Refund	SF-2802	SF-3106	
Deposit or Redeposit	SF-2803	—	
Disability Retirement	SF-2824	SF-3105	

Federal Employees Group Life Insurance (FEGLI)

Election Change	SF-2817	After you have completed this form and verified that it accurately reflects your intentions, send the entire form (without separating the parts) to your employing office. For the USPS, write to: USPS HR Shared Service Center Attn: Compensation & Benefits PO Box 970400 Greensboro, NC 27497-0400 All claims are settled by the Office of Federal Employees Group Life Insurance, P.O. Box 2627, Jersey City, NJ 07303-2627. Phone 1-800-633-4542 Fax 201-395-7950 www.opm.gov
Designation of a Beneficiary	SF-2823	

Thrift Savings Plan (TSP)

Election Form	TSP-1	For Interfund transfers, account balance, and current interest rates call 1-877-968-3778 or visit www.tsp.gov
Designation of a Beneficiary	TSP-3	
Change of Address	TSP-9	
Spouse Information	TSP-11C	
Change in Name	TSP-15	
Exception to Spousal	TSP-16	
Account Balance of Deceased	TSP-17	
Loan Application	TSP-20	
Hardship Loan Application	TSP-20H	
Full Withdrawal Request Retirees/Separatees	TSP-70	
In-Service Withdrawal	TSP-75	
Tax Considerations	TSP-536	

Compensation

Injured on the Job	CA-1	File with your personnel office who will send it to the Office of Workers Compensation Programs, Labor Department
Occupational	CA-2	
Designation of a Beneficiary	SF-1152	

Veterans Benefits

To receive any of the forms call 800-827-1000 or visit www.va.gov

Military Time Recapture

All Service Branches	For all information call 1-800-321-1080 or visit www.dfas.mil/militarypay.html
Coast Guard	For all information call 1-800-772-8724 or 785-339-3415

Social Security Benefits (SSI)

For all information call 800-772-1213 or visit www.socialsecurity.gov

FINANCIAL SNAPSHOT IN RETIREMENT

Retirement Income Sources:

CSRS / FERS Annuity

Social Security - At Age

Thrift Savings Plan*

Other -

Total

*Projected TSP Balance at Retirement

NOTES

Sources: Federal Employees Almanac, www.federaldaily.com, www.ltcfeds.com, www.opm.gov, www.socialsecurity.gov, www.tsp.gov

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