

Understanding Your CSRS/FERS Retirement & Postal Benefits

Presented by
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4/29/2018

Key Retirement Solutions

Terms

- **Liteblue** – postalease, eRetire, ePayroll, eOPF, USPS PIN, employee ID
- **Form 50** – Notification of Personnel Action
- **RTR** report (Retirement, Thrift & RIF) – employee detail report
- **HRSSC** – USPS shared service center NC
- **OPM** – US Office of Personnel Management
Boyers PA – records center for retirement, deposits paid for any sub or RCA/RCR time

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Information

- Passwords vs pin ???
- **Liteblue.usps.gov** – For employees only
– **Employee ID** and **postal password**
 - If you don't know your password, call HRSSC at **877-477-3273**, opt **5**, opt **1** to get one. Have employee ID and postal pin (or hit 9) for the call.
- **EMPLOYEE APPS** - postalease, Name Change, Change of Address, eCareer, eJob Bidding, eOPF, ePayroll, eReassign, eRetire.

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Starting to Understand your benefits

- Annuity – FERS/CSRS monthly payment (pension)
- Creditable Service - used to compute eligibility and \$\$ pension
- What is the process to retire?
- USPS Pin/Password – postalease, liteblue
- Thrift Pin/Password

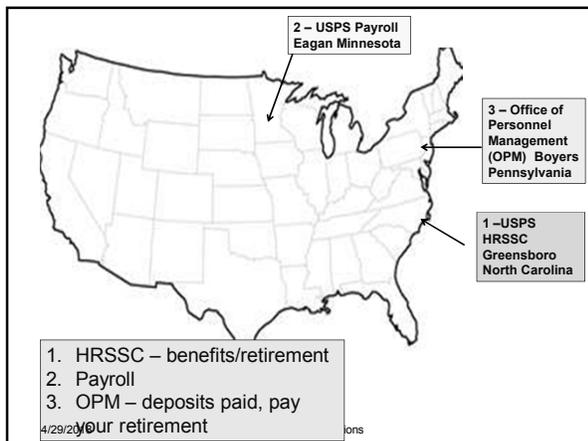
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Getting Prepared

- How much money do I need to have?
- What is the best time to retire? (not a one size fits all and do not follow the FEDERAL articles)
- If I stay longer will it make a difference in my income or will I eliminate some debt?
- Make a list
- Get organized with your information
- Retirement Income is monthly not biweekly

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RETIREMENT PLANS

- CSRS "1"
- CSRS OFFSET "5"
- FERS "8"
- FERS transferees w/frozen CSRS "A"
- FERS – RAE "C" or "E"

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CSRS Plan vs FERS Plan

<ul style="list-style-type: none"> • Defined Benefit Plan • May have TSP • Social Security 	<ul style="list-style-type: none"> • Defined Benefit Plan • Defined Contribution (TSP) • Social Security <p>3 legged stool </p>
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Employee FERS contribution

Before 2013	• Contribute .8 % of base pay
Hires in 2013	• Contribute 3.1 % of base pay
Hires 2014 and after	• Contribute 4.4% of base pay

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FERS Eligibility

	<u>Age</u>	<u>Creditable Service</u>
• Optional (no reduction)	MRA	30yrs
	60	20yrs
	62	5 yrs
• MRA+10 (age reduction)	MRA	10yrs
5% reduction for each year under age 62		
• <u>VERA</u> Early Retirement	50	20yrs
	Any Age	25yrs
NO AGE REDUCTION PENALTY		
• <u>Disability</u>	Any age	18 mo.
formula changes after 1 st yr, than again age 62		

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1-877-477-3273 opt 5 –
to speak to Customer Service **HRSSC - North Carolina**
Liteblue.usps.gov

- Customer Service – questions about your retirement/benefits – varied answers
- Calling to order annuity estimate through HRSSC - within 3 years of eligibility
- Eligible to retire, USPS sends out annuity estimates once a year in February,
- 6 months before retirement date call to order retirement kit (Blue book) so it gets mailed to you.
- phone counseling can be scheduled through eRetire or calling HRSSC
- HRSSC reviews your official file once kit has been ordered creditable service – adjustments may be made

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www.liteblue.usps.gov

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ibblue United States Postal Service

Home My HR Inside USPS Log Off

Retire

Please select your projected retirement date:

Back Submit

Select the future date you wish to retire. Information are calculated for March 31, 2014. The actual retirement date can be selected using the date drop-down.

When 5 years from today's date. Please note: annuity information are calculated for March 31, 2014.

October 3, 2013
November 1, 2013
December 1, 2013
January 1, 2014
February 1, 2014
March 1, 2014
April 1, 2014
May 1, 2014
June 1, 2014
July 1, 2014
August 1, 2014
September 1, 2014
October 1, 2014
November 1, 2014
December 1, 2014
January 1, 2015
February 1, 2015
March 1, 2015
April 1, 2015
May 1, 2015
June 1, 2015
July 1, 2015
August 1, 2015
September 1, 2015
October 1, 2015
November 1, 2015
December 1, 2015
January 1, 2016
February 1, 2016

Scroll down to see the 5yrs

Pick one - usually next day can view/print the estimate.

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eRetire

Optional Retirement Annuity Estimate First Day of Next Month
Optional Retirement Annuity Estimate First Day of Next Month + 6 Months
Optional Retirement Annuity Estimate First Day of Next Month + 1 Year
Date Specific Retirement Annuity Estimate for 10/2014

Back

Help Text	
Optional Retirement Annuity Estimate First Day of Next Month	Optional Retirement Annuity Estimate First Day of Next Month
Optional Retirement Annuity Estimate First Day of Next Month + 6 Months	Optional Retirement Annuity Estimate First Day of Next Month + 6 Months
Optional Retirement Annuity Estimate First Day of Next Month + 1 Year	Optional Retirement Annuity Estimate First Day of Next Month + 1 Year
Date Specific Retirement Annuity Estimate for 10/2014	Date Specific Retirement Annuity Estimate for 10/2014

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USPS National Retirement Accounting System Date: 08/19/2018
Report: AAF241P3 Annuity Estimate as of Pay Period 17 of 2009 ESN: Ref: FICA Code:

Creditable Service Retirement Contributions: 81,824.17
Retirement Eligibility Date: 04/27/2009 Annual Leave Earned Balance: 98.1
Retirement Comp Code (RCC): 02/03/1900 Annual Leave Balance: 98.1
Annuity Comp Code (ACC): 02/03/1900 Annual Leave Balance: 98.1
Date of Birth: 08/05/1952 Terminal Leave Payment: 3,200

Years	Months	Days	Insurance	Coverage	Deductions	Employer	Annuitant/Month			
30	6	3	0	0	17,500	None	22.75			
Retirement to annuity is determined from this table:							0.00	13.92		
Time Represented by:							88.00	88.45		
Risk Leave:							25,300	12,500	13.00	28.15
Total Time:							30	5	11	308.59

Health: 100 110.72 358.59

RDC: E
Grants: 180
Salary: 87,444.00
Retirement Type: Optional

Annuity estimate based on retirement effective date of 03/01/2012

From	To	Yrs	Mths	Days	Annual	Rate	Cost / Gross
01/01/2008	03/01/2010	1	1	14	87,444	75.587	Annual/Annuity
03/01/2010	01/01/2012	1	3	12	86,128	88.228	Annual/Annuity
03/01/2012	01/01/2018	0	10	4	81,843	72.229	None / None

High 3 Average Salary: 85,413
Tab: 3

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Creditable Service for Pension

- Civilian Service
- Military Service
- Unused Sick Leave



– Sick leave adds credit towards retirement
(will explain later)

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Creditable Civilian Service

- Career time
- Non career service – depends on certain requirements
- Leave without pay (LWOP)
(up to 6 months per Calendar Year)
- LWOP - OWCP On the job injury
- Military service

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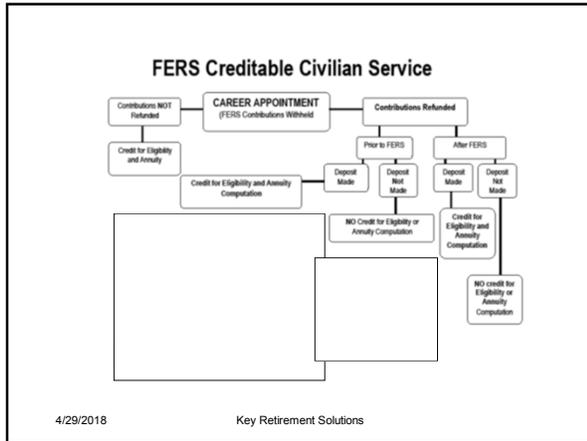
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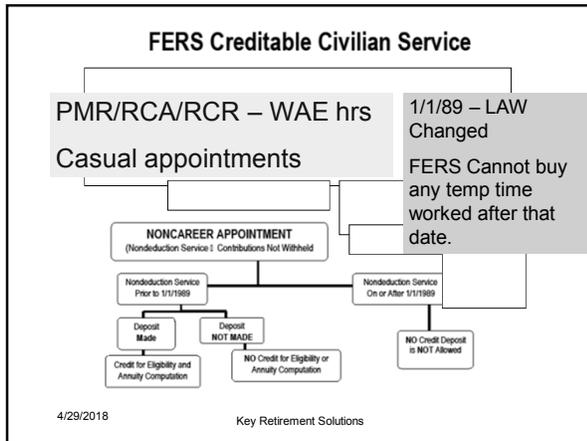
Appointments in USPS

- Sub Rural Carrier
- Rural Carrier Associate (RCA)
Rural Carrier Relief (RCR)
- Postmaster Relief (PMR)
- Casual
- Transitional (TE)
- Part Time Flexible (PTF)
- Full Time (FT)
- Part Time Regular (PTR)
- CCA / PSE / MHA

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3 versions printed correct PP01 CY 88
Exception is hours listed for 1982 & 1983
Those years if applicable must be ordered from NPRC.

Rural carrier/PMR - WAE hours report usually found in your eOPF.

EMPLOYEE'S NAME	SSN	EMPLOYEE SEATNO	PREVIOUS DES/ACT CODE	CT	D/A	MONTHS WORKED
		700				
						81.46
						51.46
						132.92
						132.92
						199.83
						426.32
						626.15
						395.20
						395.20
						396.65
						396.65
						30.00
						30.00

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Annuity Benefit Retirement Eligibility

Type of retirement	Minimum Age	Minimum Service (Years)	Special Requirements
FERS	62	5	
	60	20	
	MRA *	30	
	*MRA	*10	*5% per yr reduction each yr under 62

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FERS Annuity Benefit MRA + 10

Age 56 (MRA) with 25yrs –reduced annuity

- Hi-3 average pay: \$55,000
- Years of service: 25 years
- Basic Annuity:
 - $1.00\% \times 25\text{yrs} = 25\% \times \$55,000 \text{ yrs} = \$13,750\text{yr}$
 - $\$1145/\text{mo}$

Less reduction (5% each yr under age 62 - 56 = 6yrs)
 $6 \times 5\% = 30\%$ reduction $\$13,750 - 30\% (4125) =$

$\$ 9,625/\text{yr}$

$\$ 802/\text{mo}$

Losing \$302/month

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VERA (Early Out) Retirement Eligibility

FERS

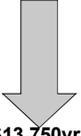
- Early Out – NO age reduction penalty (5%/year)
- Special Supplement will be paid when MRA is reached
- To Qualify for VERA if offered
 - Age 50 with 20 years
 - Any age with 25 years

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FERS Annuity Benefit If offered a VERA

Age 56 (MRA) with 25yrs

- Hi-3 average pay: \$55,000
- Years of service: 25 years
- **Basic Annuity:**
 $1.00\% \times 25\text{yrs} = 25\% \times \$55,000 \text{ yrs} = \$13,750\text{yr}$
 $\$1145/\text{mo}$



~~Less reduction (5% each yr under age 62 - 56 = 6yrs)
 $6 \times 5\% = 30\%$ reduction $\$13,750 - 30\% (4125) =$
 $\$9,625/\text{yr}$
 $\$802/\text{mo}$~~

~~Losing \$302/month~~

Plus FERS Supplement at MRA

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CSRS VERA (Early Out) Retirement Eligibility

- Age 50 with 20 years
- Any age with 25 years

Early Out –age reduction penalty for each year under age 55 (2%/yr) - prorated

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CSRS Offset Annuity Benefit

Code "5" on Ret deduction on paycheck

Contributions

- 7.00% of pay divided:
 - CSRS annuity receives .80%
 - Social Security receives 6.2%
- Entitlement is same as CSRS until age 62
 - Benefits reduced by Social Security earned while CSRS Offset



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Pamphlet from OPM website
www.opm.gov/asd
RI 83-19

Your CSRS benefit is computed as explained above. The offset reduction is then subtracted from the annuity rate to become your new gross annuity rate.

The offset reduction is the *lesser of*:

1. the difference between the social Security monthly benefit amount with and without CSRS Offset service (service after December 31, 1983, covered under the interim CSRS provisions or the CSRS Offset provisions); or
2. the product of the Social Security monthly benefit amount, with Federal earnings, multiplied by a fraction where the numerator is the employee's total CSRS Offset service rounded to the nearest whole number of years and the denominator is 40.

$$\text{Social Security benefit} \times \frac{\text{Total Years of Offset Service}}{40}$$

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Coverage/	CSRS hired <10/1/82		CSRS hired > 9/30/82		FERS	
Type of Service	Mil paid	Mil Unpaid	Mil paid	Mil Unpaid	Mil paid	Mil Unpaid
Post 66 Military Deposit	Credit for RCD and annuity.	Credit for RCD and annuity thru age 62. If employee or annuitant eligible for SS at age 62, no credit for annuity.	Credit for RCD and annuity.	No credit for title or computation.	Credit for RCD and annuity.	No credit for title or computation.

Military Retired – different rules

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CSRS Annuity Commencing Dates

Voluntary Retirements:

If the retiring employee separates COB on the 1st, 2nd, or 3rd day of the month: Annuity starts accruing following day, payable month after.

If retirement date is any other day of month: Annuity accrues 1st of next month, payable month after.

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FERS Annuity Commencing Dates

Voluntary Retirements

COB whatever day of the month the employee separates:

The annuity will begin to accrue the first day of the following month, payable month after.

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FERS Postponed Retirement

To qualify you must be at Minimum Retirement Age (MRA) or older. You resign to postpone collecting pension avoiding age reduction penalty. If eligible to carry health and life insurance, you reenroll when you apply for your pension. It will not be available during the postponed period.

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FERS Deferred Retirement

5 years to be vested in retirement. Resigning before your Minimum Retirement Age (MRA), could qualify you for a pension in the future if you do not remove your retirement contributions. You will not be eligible for health/life insurance with your pension. What you qualify for depends on how many years and your age you apply.

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Survivor Annuity choices at Retirement

CSRS

- Maximum election is 55% of basic annuity
- Partial survivor, any amount elected from \$1 up to 55% of base.
- None

Reduction from gross

Spouse's permission is needed if not electing maximum.

If spouse predeceases, pops back up to the original base

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CSRS Survivor Benefits

- Cost of survivor annuity - maximum base

Basic Annuity	\$37,332
• 2.5% x \$3,600	\$90
• \$37,332 - \$3,600 = \$33,732 x 10%	\$3,378
• Total Survivor Premium	<u>\$3,463</u>
Annual annuity	\$33,864
Survivor annuity 55% x 37,332	\$20,533
	1,711/
	month

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CSRS Partial Survivor Benefits

- Cost of survivor annuity – use lesser base

Base	\$ 3,600
• 2.5% x \$3,600	\$90
• Total Survivor Cost	<u>\$90</u>
Annual annuity \$37,332- \$90	\$37,242
Survivor annuity 55% x \$3,600	\$1,980

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Survivor Annuity elections at Retirement

FERS

- Spouse is protected to have maximum, 50% of basic annuity costs 10%.
- Partial survivor, 25% of basic annuity costs 5%.
- None

Pension is reduced
Pension will pop back up if spouse dies first.

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FERS Survivor Benefits

- Cost of survivor annuity – maximum base

Basic annuity	\$16,272
10% x \$16,272	\$1,627
\$16,272 - \$1,627	\$14,645
Survivor annuity: 50% x \$16,272	\$ 8,136
- Cost of survivor annuity – lesser base

Basic Annuity	\$16,272
5% x \$16,272	\$814
\$16,272 - \$814	\$15,458
Survivor annuity: 25% x \$16,272	\$4,068

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CSRS Cost of Living (COLAs)

- Effective December 1st each year
 - Based on CPI change
 - Retirees receive 1/12 of the COLA for each month on the payroll from December 1st
- | | |
|--------|-----|
| • 2018 | 2 % |
|--------|-----|



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FERS COLA

- **Change in CPI COLA increase effective December 1st**
 - 0% - 2% **Actual CPI % increase**
 - 2% - 3% **2%**
 - Over 3% **CPI increase less than 1%**
- **Do not receive until age 62**

2018 2 %



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FEHB into retirement

- NEW – 1/1/16 Self + One rates
- Can retire with a single plan and change to a family plan during open season or with a qualifying life event
- The employee must be covered under FEHB for five (5) years immediately preceding retirement
- If you ever cancel this coverage in retirement, you cannot reenroll
- Must elect a survivor annuity for spouse to continue FEHB upon annuitant's death
- Married couple both Postal employees??

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HEALTH BENEFIT PREMIUMS for retirement 2018 monthly annuitant rates

PLAN	SINGLE	SELF +One	FAMILY
APWU High	201.59	402.55	545.78
BC/BS STANDARD	245.18	558.59	589.23
BASIC	159.74	372.32	392.12
GEHA HIGH	224.40	522.36	583.38
INDEPENDENT HEALTH	213.20	746.46	786.70
MVP High (western)	295.81	758.97	811.57
MVP Stndrd (western)	206.94	554.52	593.80
NALC	170.71	405.30	374.68
RURAL CARRIER	188.98	325.44	331.95

<https://www.opm.gov/healthcare-insurance/healthcare/plan-information/plans/>
Monthly PREMIUMS Deducted From ANNUITY
In retirement, USPS still Pays on Average 70% of the retiree PREMIUM.

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FEGLI COVERAGE AVAILABLE

- **Basic** – Salary rounded up to nearest thousand + \$2,000 \$52,000 Free for EMPLOYEEs Cost into retirement
- **Option A** - \$10,000
- **Option B** - 1-5 X SALARY
- **Option C** - FAMILY 1-5 MULTIPLES

Must have optional insurance 5 yrs before retirement to continue into retirement.

Can REDUCE FEGLI insurance anytime
form SF2817 has to go to HRSSC

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Life Insurance costs chart for retirement

Basic Life ins was free as Postal employee	FEGLI Life Insurance			Cost for optional insurance in retirement				
		75% reduction	50% reduction	No reduction	Age	Opt A	Opt B	Opt C
As retiree, you have option of electing 75% reduction, 50% reduction or no reduction	Until the month after your 65th Birthday	\$0.325 monthly	\$1.035 monthly	\$2.4550 monthly			Per \$1,000	Per Multiple
					55-59	\$4.33	0.433	\$3.21
					60-64	\$13.00	0.953	\$5.85
					65-69	Free	1.170	\$5.80
	Starting the month after your 65th Birthday	Free	\$0.71 monthly	\$2.13 monthly	70-74		2.080	\$8.30
					75-79		3.900	\$11.40
					80+		5.720	\$15.60

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Basic Coverage

INSURANCE COST AND COVERAGE AFTER RETIREMENT

Reduces 38 months after age 65

SALARY (W/O COLA): 69635

OPTION:	COST		COVERAGE	
	BEFORE 65 (PER.MO.)	AFTER 65 (PER.MO.)	BEFORE 65	AFTER 65 REDUCE.MO. TO MIN.
75% REDUCTION	\$20.48	\$0.00	63000	reduces per month until reaches 25% \$1,260 \$15,750
50% REDUCTION	\$65.21	\$44.73	63000	reduces per month until reaches 20% \$630 \$31,500
NO REDUCTION	\$154.67	\$134.19	63000	\$0 \$63,000

	75% reduction	50% reduction	No reduction
Until the month after your 65th Birthday	\$0.325 monthly	\$1.035 monthly	\$2.4550 monthly
Starting the month after your 65th Birthday	Free	\$0.71 monthly	\$2.13 monthly

3 choices to select for continuing Basic

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Windfall Elimination Provision (WEP)

- The WEP affects people who earned a pension from work not covered by SS, yet they qualified for a SS benefit based on work where SS taxes were paid.
- The WEP can affect CSRS or CSRS Offset or FERS Transferee

Not a factor if you have 30 yrs of substantial earnings under Social Security for your working years

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GOVERNMENT PENSION OFFSET (GPO) CSRS

If CSRS retiree is eligible for benefits on spouse's Social Security...the Social Security benefit will be offset.

Spouse's benefit is reduced \$2 for every \$3 in government pension which usually eliminates it.

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Earnings Tests

If you work after you begin receiving SS benefits:

- You may receive a reduced benefit depending on your age and the earnings.

The annual exempt amounts for 2018 are:

- Under your Full Age (FRA) \$17,040
- Reaching your FRA in 2017 \$45,360
- After your FRA, earnings are unlimited

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MEDICARE PART A & B
Age 65

- **PART A**
 - IN-HOSPITAL CARE, POST HOSPITAL SKILLED NURSING FACILITY CARE, HOME HEALTH CARE & HOSPICE
- **PART B**
 - PHYSICIAN'S SERVICES AND VARIETY OF OTHER MEDICAL SERVICES NOT COVERED BY PART A
 - 2018 \$134.00/month base premium

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Medicare

Do I need Medicare?
Research before age 65

FEHB Health Insurance Booklet - "Coordinating other coverage"

Medicare Pamphlets

www.opm.gov/insure/health/medicare

Each insurance plan can be different



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**Thrift Savings
Plan Participation &
Withdrawal Options**



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TSP Contributions

- In 2018 all employees can contribute up to \$18,500 (\$711 pp)
- Catch Up is \$6,000 per year 50+
- Changes to your contribution can be changed anytime using **PostalEase**
- Allocation changes are made with **TSP**

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FERS Thrift Match

You	Automatic	Match	Total
● 0%	1%	0%	1%
● 1%	1%	1%	3%
● 2%	1%	2%	5%
● 3%	1%	3%	7%
● 4%	1%	3.5%	8.5%
● 5%	1%	4%	10%

At a minimum, you should contribute 5% to get full match.....

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Traditional vs Roth

The Treatment of . . .	Traditional TSP	Roth TSP
Contributions	<i>Pre-tax</i>	<i>After-tax¹</i>
Your Paycheck	<i>Taxes are deferred</i> , so less money is taken out of your paycheck.	<i>Taxes are paid up front</i> , so more money comes out of your paycheck.
Transfers In	<i>Transfers</i> allowed from eligible employer plans and traditional IRAs	<i>Transfers</i> allowed from Roth 401(k)s, Roth 403(b)s, and Roth 457(b)s
Transfers Out	<i>Transfers</i> allowed to eligible employer plans, traditional IRAs, and Roth IRAs ²	<i>Transfers</i> allowed to Roth 401(k)s, Roth 403(b)s, Roth 457(b)s, and Roth IRAs ²
Withdrawals	<i>Taxable</i> when withdrawn	<i>Tax-free</i> earnings if five years have passed since January 1 of the year you made your first Roth contribution, AND you are age 59½ or older, permanently disabled, or deceased.

¹ Roth contributions are subject to Federal (and, where applicable, state and local) income taxes, while traditional contributions are not taxed until withdrawn. However, both Roth contributions and traditional contributions are included in the amount of wages used to calculate payroll taxes (e.g., Social Security taxes).
² You would have to pay taxes on any pre-tax amount transferred to a Roth IRA.
³ Transfers to a Roth IRA from a Roth TSP are not subject to the income restrictions that apply to Roth IRA contributions.

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The 10 TSP Investment Funds

- Government Securities Investment (G) Fund
- Fixed Income Index Investment (F) Fund
- Common Stock Index Investment (C) Fund
- U.S.Small-capitalization Stock index Investment (S) Fund
- International Stock Index Investment (I) Fund
- Lifecycle Investment (L) Funds – 5 different

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When you want to “change” your investments, make sure you make the correct investment election!

<p style="text-align: center; background-color: #e0e0e0; padding: 2px;">Contribution Allocation</p> <ul style="list-style-type: none"> ● Allocates all future contributions and loan payments until superseded by new allocation election ● ThriftLine, or website ● Change in allocation is generally eff as of COB each day based on 12noon ET cutoff ● Confirmation via website or mail 	<p style="text-align: center; background-color: #e0e0e0; padding: 2px;">Interfund Transfer</p> <ul style="list-style-type: none"> ● One-time transaction, redistributes account balance(s) and remains as invested until participant makes another interfund transfer ● ThriftLine, or website ● Change in account balance distribution is generally eff COB each based on 12noon ET cutoff ● Confirmation via website or mail
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If you invested in the L 2020 fund

L 2020

Who Should Invest
For participants who will withdraw their money beginning 2019 through 2024.

Objective
To achieve a moderate level of growth with a moderate emphasis on preservation of assets.

Asset Allocations:
The Fund's allocation in the G, F, C, S, and I Funds is adjusted quarterly. To see how this works, use the slide bar below the pie chart. L 2020 will roll into the L Income Fund automatically in July 2020 when the allocation becomes the same as the allocation of the L Income Fund.

Percentage Fund Allocation

July 2020
 G Fund 74.00%
 F Fund 6.00%
 C Fund 11.20%
 S Fund 2.80%
 I Fund 6.00%

◀◀ ◀ July ▶ ▶▶ 2020

As you reach year 2020, the balances will roll into the L Income fund.

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Investment Fund Performance

Average Annual Returns (As of December 2017)										
	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
1-Year	6.19%	9.86%	14.54%	16.77%	18.81%	2.33%	3.82%	21.82%	18.22%	25.42%
3-Year	3.86%	5.50%	7.41%	8.27%	9.85%	2.06%	2.54%	11.45%	10.12%	8.41%
5-Year	4.46%	7.44%	9.56%	10.68%	11.72%	2.08%	2.50%	15.85%	14.77%	8.07%
10-Year	3.80%	4.91%	5.85%	6.26%	6.85%	2.38%	4.27%	8.55%	9.37%	2.23%
Since Inception	4.15%	5.56%	6.31%	6.73%	10.53%	5.09%	6.24%	10.53%	9.36%	5.25%
Inception Date	08/01/05	08/01/05	08/01/05	08/01/05	01/31/11	04/01/87	01/29/88	01/29/88	05/01/01	05/01/01
Calendar Year Returns										
	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
2013	6.97%	16.03%	20.16%	23.23%	26.20%	1.89%	(1.68%)	32.45%	38.35%	22.13%
2014	3.77%	5.06%	5.74%	6.22%	6.37%	2.31%	6.73%	13.78%	7.80%	(5.27%)
2015	1.85%	1.35%	1.04%	0.73%	0.45%	2.04%	0.91%	1.46%	(2.92%)	(0.51%)
2016	3.58%	5.47%	7.07%	7.90%	8.65%	1.82%	2.91%	12.01%	16.35%	2.10%
2017	6.19%	9.86%	14.54%	16.77%	18.81%	2.33%	3.82%	21.82%	18.22%	25.42%
YTD	0.32%	0.14%	(0.22%)	(0.39%)	(0.53%)	0.66%	(1.45%)	(0.77%)	0.11%	(1.08%)

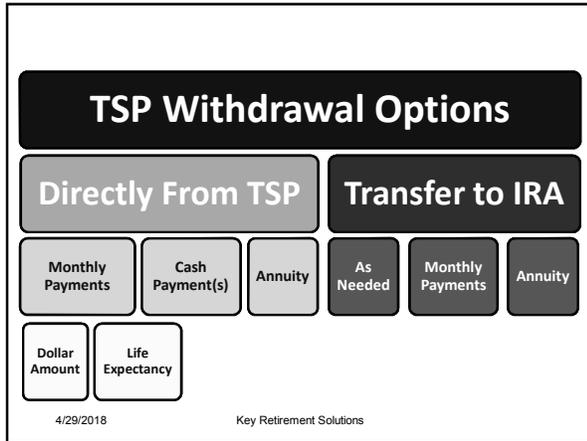
For 2017, the average net expense was \$0.32/.33* per \$1,000 invested.

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Thrift Savings Plan - Retirement

- No new contributions
- Cannot apply for a loan
- Loan outstanding when retiring?
2 choices - 90 days to pay back or declare it as taxable distribution – TSP will mail you notice after you retire
- Withdrawal Wizard – easy way to complete forms after retired

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Leaving Your Money in the TSP

- May elect to keep your money in the TSP
- Required minimum distribution (RMD) must begin by April 1 of the year following the year in which you reach age 70 and ½ if separated
 - If age 70 and ½ or older at separation, distribution may need to begin immediately
- Can change the way the funds are invested through inter-fund transfers up to twice a month using TSP and could be more if moving money into G fund.

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One Time Partial Withdrawal

- Employees - Age based in service withdrawal when 59 1/2
- Post separation - Must be done before starting a monthly withdrawal
- Partial minimum of \$1,000
- 20% withheld to cover Federal Taxes unless transferred to an IRA or eligible employer plan
- Withdrawal taxed as ordinary income



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Full Withdrawal Options

- Full payment –
 - transfer to IRA(not taxed) or paid to you (taxed).
- Monthly payments –
 - Specific dollar amount – can be changed each January
 - Payment based on life expectancy
- Purchase Annuity – shown on annual statement
- Can use a mixture of choices

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TSP Modernization Act

- Multiple age-based withdrawals
- Multiple partial withdrawals
- Periodic pymts to be scheduled either monthly or quarterly
- Periodic payment amounts to be changed anytime
- Those taking periodic payments to stop payments and leave the remaining balance in the TSP
- The election of a partial withdrawal or the purchase of a TSP annuity while still receiving periodic payments

Implementation November of 2019

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Taxes and Tax Penalties

Taxes

- Federal
- State
- No Tax: Qualified Roth Distributions

Penalties

- Before 59 1/2
- Exceptions – next slide
- After 70 1/2

Unpaid Loan Balance

- 90 days to repay
- Taxable Distribution Form 1099
- Roll Over

Withholdings

- >10 years or life expectancy: Your Choice
- Lump sum or < 10 years: Mandatory 20% or more
- Required Minimum Distribution: 10% or more (W4-P)

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TSP Withdrawal's and Taxes



TSP distributions are always subject to ordinary income tax for Federal.

TSP distributions may be subject to a 10% early withdrawal penalty if taken before age 59 ½

Unless

- Paid after separation from service during or after the year you reach age 55
- Paid because you take disability retirement
- Paid as substantially equal payments over your life expectancy
- Paid as annuity payments

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Should I Stay or Should I Go?





Advantages of TSP

- Fiduciary
- L Funds
- C, F, G, S, I
- Multiple Partial Withdrawals
- Low expense
- Simplicity
- Protect from creditors

Advantages of IRA

- Diversify more specifically
- Holistic plan
- May be fiduciary
- Control withdrawals
- Employ tax strategies
- Spousal consent generally not required

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Should I Stay or Should I Go?





Disadvantages of TSP

- Pro rata distributions
- Limited partial distributions
- Spousal consent required
- Change once per year
- No tax strategies

Disadvantages of IRA

- Not guaranteed to perform better
- Surrender fees / back-end charges
- Annual fees, commissions or charges
- Requires more knowledge

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Compute Payment Scenarios

Monthly Payments

- Specific Dollar Amount
- Life Expectancy

Changes

- Change dollar amount
- One-time only: life expectancy to dollar amount
- Final cash payment

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MONTHLY PAYMENT SCENARIOS

TSP Monthly Payment Calculator

1 2 3

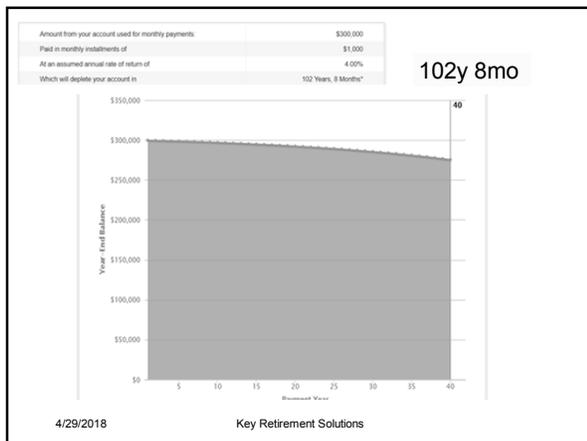
INTRODUCTION MONTHLY PAYMENT INFORMATION MONTHLY PAYMENT ESTIMATE

If you are currently receiving monthly payments and want to choose a different amount, use this calculator to estimate how many payments you will receive and how long they will last.

If you are interested in comparing all of the TSP monthly income options (including TSP monthly payments and life annuities), use the Retirement Income Calculator.

Start

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Compute Payment Scenarios

Purchase Life Annuity:

- MetLife holds contract
- Interest rate index fixed for life of annuity
- 2.875% (May 2018) 2.375% (December 2017)

Be Aware:

- Permanent election
- Monthly payment depends on:
 - Age at time of purchase
 - Interest rate index
 - Annuity options (survivor benefit / inflation)

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Summary of Annuity Options and Features*

Single Life		Joint Life with Spouse		Joint Life with Other Survivor
Level Payments	Increasing Payments	Level Payments	Increasing Payments	Level Payments
with no additional features	with no additional features	100% survivor annuity	100% survivor annuity	100% survivor annuity**
or	or	or	or	or
with cash refund feature	with cash refund feature	50% survivor annuity	50% survivor annuity	50% survivor annuity
or	or	or	or	or
with 10-year certain feature	with 10-year certain feature	100% survivor annuity with cash refund	100% survivor annuity with cash refund	100% survivor annuity with cash refund**
		or	or	or
		50% survivor annuity with cash refund	50% survivor annuity with cash refund	50% survivor annuity with cash refund

*A married FERS or uniformed services participant must obtain his or her spouse's waiver of the spouse's survivor annuity benefit if an option is chosen other than Joint Life with Spouse, with level payments and 50% survivor annuity. See "Spouses' Rights," on page 13.
 **Available if joint annuitant is not more than 10 years younger than the participant.

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300,000 index 2.875

Monthly Income by Age in Retirement

Age	Level Payments				Increasing Payments			
	100% Survivor	50% Survivor	100% Survivor w/Cash	50% Survivor w/Cash	100% Survivor	50% Survivor	100% Survivor w/Cash	50% Survivor w/Cash
56	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$820.00	\$1,054.00	\$812.00	\$1,023.00
57	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$845.00	\$1,080.00	\$836.00	\$1,054.00
58	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$870.00	\$1,110.00	\$861.00	\$1,085.00
59	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$896.00	\$1,152.00	\$887.00	\$1,110.00
60	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$923.00	\$1,196.00	\$914.00	\$1,151.00
61	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$951.00	\$1,222.00	\$941.00	\$1,186.00
62	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$980.00	\$1,250.00	\$970.00	\$1,222.00
63	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,009.00	\$1,290.00	\$999.00	\$1,250.00
64	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,039.00	\$1,335.00	\$1,029.00	\$1,296.00
65	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,070.00	\$1,375.00	\$1,059.00	\$1,335.00
66	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,102.00	\$1,416.00	\$1,091.00	\$1,375.00
67	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,136.00	\$1,459.00	\$1,124.00	\$1,416.00
68	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,170.00	\$1,503.00	\$1,158.00	\$1,459.00
69	\$1,309.00	\$1,583.00	\$1,295.00	\$1,550.00	\$1,205.00	\$1,548.00	\$1,192.00	\$1,502.00

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INTERIM ANNUITY PYMTS

- It has been taking avg 3-5 months to get finalized – each case is different, some can take longer (Divorce QDRO, OWCP as retiring)
- Interim deducts Federal tax only
- Health and life insurance premiums from adjustment payment – no lapse during interim
- Lump sum Adjustment – finalized
- Dental/vision BENEFEDS bills you monthly until final, then it will be deducted from pension
- *Your Federal Retirement* Benefits booklet when final

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Other items to consider

- FSA Flexible Spending – you pay while employed – could spend the whole years amount you enrolled in up to day of retirement.
- Have some cash reserves to get you through the interim process – could be months waiting for full payments

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**Thank you for attending!!
ANY QUESTIONS????**

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www.KeyRetirementSolutions.com

INDIVIDUAL CONSULTATIONS, FORM PREPARATION AND SEMINARS

HRSSC address info

- HRSSC - retirements
- PO Box 970500
- Greensboro NC 27497-0500 to mail deposit application
- HRSSC – benefits
- PO Box 970400
- Greensboro NC 27497-0400 to mail life insurance form to reduce coverage

877-477-3273,
opt 5, then opt 2

877-477-3273,
opt 5, then opt 1

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