



**What to Expect When You're Expecting  
(Your First Retirement Check)**



**What to Expect When You're Expecting**

**Welcome**

- » Our audience today
- » Q&A – the ProFeds Support Team standing by
- » Handouts – available for download
- » Recorded – how to get the replay
- » Stay until the end!

**What to Expect When You're Expecting**

**Your ProFeds Presenter**



**Chris Kowalik**

- » ProFeds Founder
- » Developer of the FedImpact Retirement Workshop
- » Host of the FedImpact Podcast



**Support Team**

- » Standing by for your questions

**What to Expect When You're Expecting**

**What to Expect When  
You're Expecting  
(Your First Retirement Check)**  
**Managing the financial transition  
from "employee" to "retiree" when  
you finally take the leap**

## Agenda

- » **APPLICATION:** The timeline for your retirement application to be processed – and how to speed it up
- » **INTERIM PAY:** The percentage of your pension you should expect to receive shortly after leaving service – and what the government does with the rest of it
- » **BENEFITS:** The changing of your benefits in retirement – and what happens to those benefits while you are in "interim pay" status
- » **ACCESS TO CASH:** The importance of cash for the transition into retirement – and why accessing your TSP may be challenging during this time

## What this webinar will NOT cover



## Your Retirement Application

### Your Retirement Application

- » For fully-eligible retirements:
  - » Application for Immediate Retirement  
**SF-2801 (CSRS) or SF-3107 (FERS)**
  - » Certificate of Release or Discharge from Active Duty  
**DD 214**
  - » Court Orders awarding benefits to former spouse  
**COURT ORDERS**
  - » Withholding Certificate for Periodic Pension or Annuity Payments  
**W-4P**
  - » FEGLI Continuation of Coverage  
**SF-2818**

## What to Expect When You're Expecting

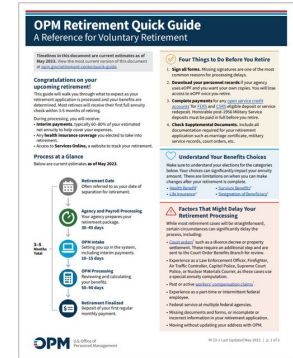
### The Timelines

- » Most agencies request a 6-month notice that you will be retiring, so they can do their part to prepare your retirement package and close out your employment record
  - Ensure that your package is accurate and complete (including all forms, signatures, initials, notaries, court orders, etc.)
- » OPM's processing time varies, but can be sped up by eliminating errors and omissions
  - OPM does not receive your retirement package until after you leave federal service (once your agency is done with their part)

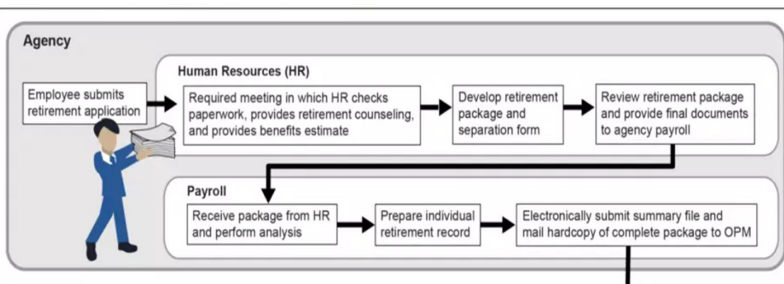
## What to Expect When You're Expecting

### OPM's Quick Guide

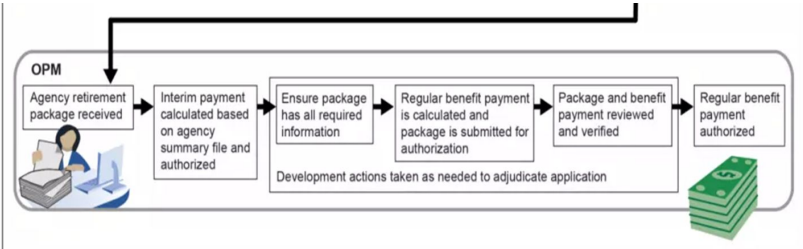
- » OPM recently released a "Quick Guide" to help give federal employees a better sense of what to expect in this process
- » To download, go to: [FedImpact.com/opm-quick-guide](https://www.fedimpact.com/opm-quick-guide)



## What to Expect When You're Expecting



## What to Expect When You're Expecting



Source: GAO analysis of Office of Personnel Management (OPM) information. | GAO-19-217

What to Expect When You're Expecting

# Interim Payments



What to Expect When You're Expecting

## Interim Payments

- » Until OPM finalizes your retirement claim, you will receive “interim payments” (~ 60-70% of your expected pension)
- » The remaining 30-40% will be used to pay for most of the benefits you elected which were not withheld during this time
  - If any \$\$\$ leftover, it is refunded to you in lump-sum
  - If not enough \$\$\$ withheld, you owe remaining balance

What to Expect When You're Expecting

### Benefits payable from your retirement payments

Obligations	Paid from initial interim payments	Paid at the end from 30-40% withheld	May start to be paid from retirement check (once final)
Federal income taxes	✓		✓
State income taxes	pay out-of-pocket		✓
Survivor Benefit		✓ *	✓
FEGLI		✓ *	✓
FEHB		✓ *	✓
FEDVIP	pay out-of-pocket		✓
FLTCIP	pay out-of-pocket		✓

\* Survivor Benefits, FEGLI, and FEHB coverage remain in-force during this interim period

What to Expect When You're Expecting

# Changes to Benefits



#### What to Expect When You're Expecting

### Changes to Benefits

- » **Annual Leave:** Typically paid within 2-3 weeks
- » **FEHB:** No changes to coverage
- » **FEDVIP:** No changes to coverage
- » **FLTCIP:** No changes to coverage
- » **FEGLI:** Election made on SF-2818 (keep all, some, none)
- » **SRS:** No SRS payments are received while in an interim pay status (retroactive payments will be paid)
- » **TSP:** Access to TSP funds opens (see next section)

#### What to Expect When You're Expecting

### Access to Cash



#### What to Expect When You're Expecting

### Access to Cash

- » Your agency notifies the TSP when an employee leaves federal service (regardless if “separating” or “retiring”)
- » You will need to wait at least 30 days before you will be permitted to begin the request process to access your TSP funds
- » We HIGHLY recommend having 6 months of household “operating funds” in accessible funds outside of the TSP (like checking or savings)

#### What to Expect When You're Expecting

### Case Study: John Smith (wife Mary)



- » **Retiring on:** 12/31/2023
- » **System:** Regular FERS
- » **Service:** 30 years
- » **Age:** 60
- » **High-3:** \$100,000
- » **Final pay:** \$101,750
- » **Annual leave:** 150 hours

## What to Expect When You're Expecting

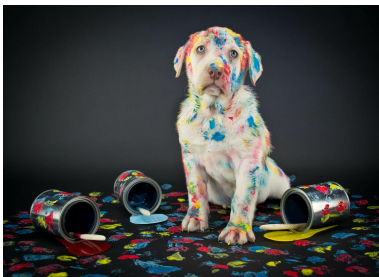
Benefits Expectations in Retirement		
Benefit	While Employed	Expectation in Retirement
FERS Pension	N/A	\$2,500/mo
Survivor Benefit – 50% coverage	N/A	\$250/mo
FEHB (health)	\$472.12/mo	\$472.12/mo
FEDVIP (dental & vision)	\$58.94/mo	\$58.94/mo
FLTCIP (long-term care)	\$250.30/mo	\$250.30/mo
FEGLI (life) – Basic & keep	\$36.06/mo	\$270.06/mo
Special Retirement Supplement	N/A	\$1,800/mo

## What to Expect When You're Expecting

### The Amount Held in Reserve (60% example)

- » If the pension should be \$2,500
- » OPM will hold in reserve \$1,000 for:
  - Survivor Benefit: \$250/mo
  - FEHB: 472.12/mo
  - FEGLI: \$270.06/mo
  - **TOTAL: \$992.18/mo** (you would receive a credit of \$7.82/mo)
- » Special Retirement Supplement – retroactive payments

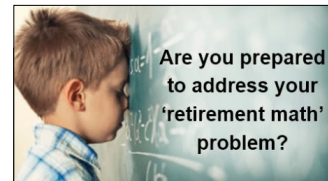
## What to Expect When You're Expecting



## Manage the Mess

## What to Expect When You're Expecting

### How does this fit into the bigger picture?



- » Attend a workshop:
  - In-person training
  - No cost to attend
  - Covers all of the federal benefit topics and decisions to be made
  - One-on-one help available

» See all the details at:  
[FedImpact.com/Attend](https://www.fedimpact.com/Attend)

**DOUBLE-CHECK YOUR NUMBERS TO MAKE SURE YOUR RETIREMENT MATH IS ON TRACK**

"The workshop you delivered yesterday was phenomenal. I enjoyed the presentation as well as the class participation and instruction."  
 U.S., Office of Personnel Management



"The most information I have ever received and heard in my DTRC military and Federal area."  
 U.S., Department of Defense



## What to Expect When You're Expecting

### Handouts and Replay



- » Handouts
  - Download
  - Emailed
- » Replay
  - Link will be emailed to all registered participants

## What to Expect When You're Expecting

### Next Webinar



- » Next webinar topic!
  - **Taxes in Retirement**  
Understand the tax implications of retiring and what steps to take today to be ready when it happens
- » Sign-up at:  
[FedImpact.com/Webinar](https://FedImpact.com/Webinar)

Thank you for  
joining us

Stay tuned for benefits  
and news updates



FIND A WORKSHOP  
[FedImpact.com/Attend](https://FedImpact.com/Attend)

NEXT WEBINAR  
[FedImpact.com/Webinar](https://FedImpact.com/Webinar)

FOLLOW US ON SOCIAL  
@FedImpact

