



## The “F” Bomb for Federal Employees: “You’re Fired!”



The “F” Bomb for Feds: “You’re Fired”

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Preparing yourself for an unexpected exit from federal service

The “F” Bomb for Feds: “You’re Fired”

### 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!

The “F” Bomb for Feds: “You’re Fired”

### 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

## Agenda

- » **BENEFITS:** Knowing what you have earned based on your age and length of service
- » **ADMINISTRATIVE:** Getting what you need before you lose access to government systems
- » **TRANSITION:** Accessing money you will need during the transition period

**What this webinar  
will NOT cover**

## Some Recent Observations

- » An abundance of misinformation
- » Panic for those who are uncertain about their future
- » More federal employees are doing a 'gut check'
- » We released a 22-part RIF training series:  
[FedImpact.com/RIF-training-series](https://FedImpact.com/RIF-training-series)

**BENEFITS**  
**What you have  
already earned**

Determine if (and When) You are Eligible for a FERS Pension																																
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62+																		*	*	*	*	*	*	*	*	*	*					

NO  
PENSION

DEFERRED

MRA+10

FULLY-ELIGIBLE

Some FERS employees born prior to 1970 may be either “fully-eligible” or eligible for an “MRA+10” retirement a few months prior to age 57.

#### The "F" Bomb for Feds: "You're Fired"

##### NO PENSION

No pension payable (ever)

##### DEFERRED

A pension payable in the future  
(must wait until 62 if 5-19 years; 60 if 20-29; MRA if 30+)

##### \* VERA/DSR

A pension payable now with no penalties (must be granted)

##### MRA+10

A pension payable now with penalties (5% for each year <62)  
(to avoid penalty: start at 62 if 10-19 years; 60 if 20-29; MRA if 30+)

##### FULLY-ELIGIBLE

A pension payable now with no penalties

#### The "F" Bomb for Feds: "You're Fired"

If you are terminated, the first question you must start with is this:

Already eligible to voluntarily retire?

YES

NO

#### The "F" Bomb for Feds: "You're Fired"

Already eligible to voluntarily retire?

YES

Do you meet "FULL" or "MRA+10" eligibility?

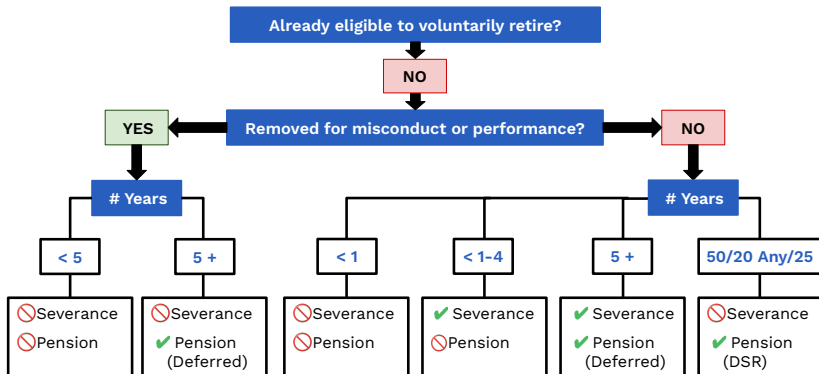
FULL  
62/5  
60/20  
MRA/30

⊘ Severance  
✓ Pension  
(No penalty)

MRA+10  
MRA/10

⊘ Severance  
✓ Pension  
(w/ penalty)

## The "F" Bomb for Feds: "You're Fired"



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### Regular FERS 1.0% formula

(retiring under age 62 **OR** at least age 62, but with less than 20 years of service)

$$\text{High-3} \times 1.0\% \times \text{\# of years} = \text{Pension}$$

### The FERS Pension Formula

- » This formula is used to calculate the FERS pension
- » If you reach “age 62 with 20+ years,” the 1.0% changes to 1.1%
- » Penalties or delays in receiving the pension may happen due to your age

## The "F" Bomb for Feds: "You're Fired"

### Severance Pay

#### » Basic Severance Pay Allowance:

- If you have 10 full years or less, you will receive an amount equal to:
  - 1 week for each full year of service, plus
  - ¼ week for each full quarter beyond the full year calculation
  - EXAMPLE: If you have 8 years and 4 months of service, you would receive 8.25 weeks of severance

## The "F" Bomb for Feds: "You're Fired"

### Severance Pay

#### » Basic Severance Pay Allowance:

- If you have 11 full years or more, you will receive an amount equal to:
  - 1 week for each full year of service for the first 10 years, plus
  - 2 weeks for each full year of service for years 11+, plus
  - ½ week for each full quarter beyond the full year calculations
- EXAMPLE: If you have 12 years and 4 months of service, you would receive 14.50 weeks of severance

## Severance Pay

### » Age Adjustment Allowance:

- For each full 3 months (quarters) over age 40, you will receive a boost to your severance pay:
  - You will add 2.5% to the basic severance pay allowance
  - EXAMPLE: If you are age 45 years and 8 months, you will have 22 full quarters beyond age 40 which gives you an extra 55% added to your severance pay

## EXAMPLE: Severance Pay

- » If at the time you separate, you are age 45 years and 8 months, you have 20 years and 4 months of creditable service, and you have a weekly rate of pay of \$1,500, this is how your severance pay is calculated:
  - **Basic severance pay allowance calculation:**
    - 10 years X 1 week X \$1,500 = \$15,000
    - 10 years X 2 weeks X \$1,500 = \$30,000
    - ¼ year X 2 weeks X \$1,500 = \$750
    - **TOTAL BASIC ALLOWANCE: \$45,750.00**

## EXAMPLE: Severance Pay

- » If at the time you separate, you are age 45 years and 8 months, you have 20 years and 4 months of creditable service, and you have a weekly rate of pay of \$1,500, this is how your severance pay is calculated:
  - **Age adjustment allowance calculation:**
    - 5 years over age 40 = 20 full quarters
    - 8 months = 2 full quarters
    - 22 quarters X 2.5% X 45,750 = **\$25,162.50**

## EXAMPLE: Severance Pay

- » Your total severance pay will be: **\$70,912.50** (47.275 weeks)
- » You will continue to receive your paycheck in the same interval (as while employed) for 47.275 weeks
- » If you return to federal service while receiving your severance pay, it will stop
- » If you return to federal service after your severance pay has been paid to you in full, no repayment is needed
- » You should apply for unemployment benefits in the state where you live

# THE 12 THINGS

## Every federal employee should do right now

#1

## Download your entire eOPF

### Highlights

- » This is the record your agency has of your service
- » You will NOT have access to it once you leave service
- » Download your eOPF: [FedImpact.com/eopf](https://FedImpact.com/eopf)

#2

## Download your last 3 years of pay stubs

### Highlights

- » Having your last 3 years of paystubs may help you justify your high-3 (assuming that is at the end of your career)
- » Login to your payroll processor to access

#3

## Download your training record

### Highlights

- » This record of training courses and certifications may be helpful if you are seeking other employment
- » Better to have it and not need it, than need it and not have it

## #4

# Update login information to payroll processor

### Highlights

- » If you use your government email to access your payroll system (for instance, MyPay), you should ensure your personal email is added
- » This will let you get your final pay stub with your annual leave payout

## #5

# Update email on file with TSP

### Highlights

- » You **MUST** update your email with the TSP to your personal email
- » You will not be able to satisfy 2FA without it!
- » Imagine calling the TSP trying to get this updated!

## #6

# Get a retirement estimate

### Highlights

- » If your agency allows you access to a system where you can run an estimate for retirement, use it!
- » A cautionary tale on auto-generated estimates

## #7

# Ensure Veterans Preference is on your SF-50

### Highlights

- » When it comes time for RIF actions to take place, agencies will consider a number of factors—this is one of them!
- » Look to your SF-50 (box 23) and contact HR immediately if it is wrong

**#8**

## Last chance to make military deposits & keep receipts

### Highlights

- » Any military deposits you wish to make must be completed before you separate
- » If you haven't already started this process, you may not have time to complete it
- » Keep your receipt

**#9**

## Save important documents

### Highlights

- » Think about all of the documents you have easy access to right now
- » The moment you lose your email and agency network credentials, that access goes away
- » Print out or forward important emails

**#10**

## Get personal contact info from co-workers

### Highlights

- » If you want to stay in touch with your co-workers, be sure you know how to contact them after you both leave service
- » You never know when you may need to reach out

**#11**

## Update your beneficiaries

### Highlights

- » Take 10 minutes and update these documents!
- » If your agency's system doesn't allow you to instantly see these beneficiaries, just redo them
- » Update your beneficiaries: [FedImpact.com/bene](https://www.fedimpact.com/beneficiaries)



# Have cash on hand for the transition period

- » You will NOT have instant access to your TSP when you leave service
- » If you need money until OPM sorts everything out, it should be from savings
- » Consider lowering your TSP contributions to beef up your savings now

## THE TRANSITION PERIOD

Having cash you need  
to hold you over

- » If you are leaving government service, you're likely to experience some financial changes
- » Don't make them worse by using high-interest credit cards or taking a loan
- » If you are drawing severance, those payments continue for the specified number of weeks
- » If you will be drawing an immediate pension, it will take OPM some time to get everything sorted out
- » If you will be drawing a deferred pension, it may be years!



- » 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)

## Handouts and Replay



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

## Next Webinar



- » Next webinar topic!
  - **Legislative Plans Targeting Federal Benefits**  
Proposed changes looming over the federal workforce (+ RIF updates)
- » Sign-up at:  
[FedImpact.com/Webinar](https://FedImpact.com/Webinar)

Thank you for  
joining us

Stay tuned for benefits  
and news updates



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