

Ready or Not: Preparing Your Exit from Federal Service



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How VERA, VSIP, DSR & Severance may change your perspective

Preparing Your Exit from Federal Service

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!

Preparing Your Exit from Federal Service

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

- » **METHODS:** Understanding voluntary and involuntary departures (including DRP 2.0)
- » **ELIGIBILITY:** Knowing exactly who is entitled to what (and when)
- » **BENEFITS:** Identifying how the pension and other benefits are affected

What this webinar will NOT cover

Pending Legislative Changes

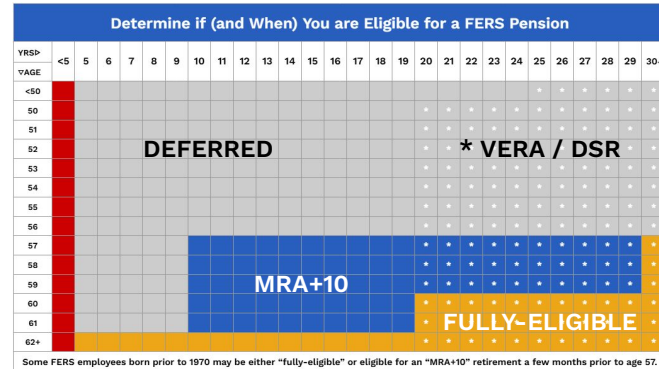


Notable Updates on Pending Legislative Changes

- » Still on the table (effective 1/1/2028):
 - Change of the High-3 to High-5 for pension calculations
 - Elimination of the FERS Special Retirement Supplement for regular employees (but preserved for LEO, FF & ATC)
- » Off the table:
 - Increasing requirement to increase contributions into FERS from 0.8% to 4.4%



Eligibility for Federal Retirement



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)

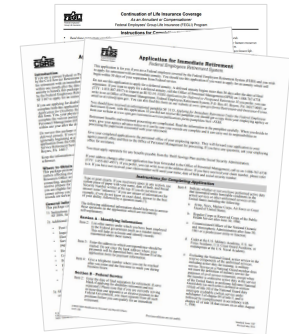
MRA+10

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)

FULLY-ELIGIBLE

A pension payable now with no penalties

Submitting Retirement Paperwork



Completing Retirement Paperwork

- » You will make the following important decisions:
 - Choosing your retirement date
 - Electing how much of your pension is protected for your spouse
 - Confirming your eligibility to keep other benefits like FEHB, FEGLI, FEDVIP and FLTCIP in retirement
 - Deciding how much life insurance (FEGLI) you will carry into retirement
 - Selecting your tax withholdings for your pension

For Those Exiting VOLUNTARILY

- » Start pension right away
 - Fully-eligible
 - MRA+10 (with penalty)
 - Early Out (VERA)
 - Disability*

Prior to your exit, submit Retirement Application **(SF-2801 CSRS; SF-3107 FERS)**
*Disability requires additional documents
- » Start pension later
 - MRA+10 (lower/no penalty)
 - Deferred

60 days before you want your pension to begin, submit Retirement Application **(OPM 1496 CSRS; RI 92-19 FERS)**

For Those Exiting INVOLUNTARILY

- » Start pension right away
 - Discontinued Service (DSR)

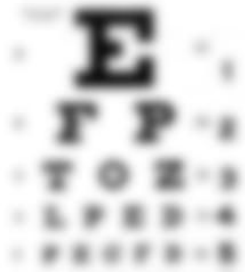
Prior to your exit, submit Retirement Application **(SF-2801 CSRS; SF-3107 FERS)**
- » Start pension later
 - Deferred

60 days before you want your pension to begin, submit Retirement Application **(OPM 1496 CSRS; RI 92-19 FERS)**
- » Gets no pension at all
 - Separation (with less than 5 years of federal service)

Prior to your exit, request that your FERS contributions be refunded **(SF-3106 FERS)**

Making Your Decision About FEGLI in Retirement

- » Fully-eligible
 - » MRA+10 (with penalty)
 - » Early Out (VERA)
 - » Disability
 - » Discontinued Service (DSR)
- Prior to your exit, submit FEGLI Continuation of Coverage Form **(SF-2818)**
- » MRA+10 (start later)
- Along with your Retirement Application, submit FEGLI Continuation of Coverage Form **(SF-2818)**



An Evolving Perspective

Has Your Retirement Perspective Changed This Year?

- » Perhaps you have felt:
 - Panicked since the DRP was announced
 - Ill-prepared to make important retirement decisions
 - Unsure about taking an Early Out
 - Worried about being forced out due to RIF
 - Underappreciated or undervalued
 - Scared you couldn't provide for your family
 - Pressured to make decisions quickly and without help
 - Concerned about Congress changing your benefits

My Question: Are You Better Prepared Now?

- » Have you taken steps to:
 - Certify your service & get a retirement estimate
 - Get clear on ALL of your numbers
 - Figure out what survivor election to make
 - Determine how much FEGLI to keep
 - See if you'll have enough money in retirement
 - Optimize your tax situation
 - Take advantage of retirement training opportunities & help
 - ...and a slew of other important steps!

Training Resources Available

- » RIF Training: FedImpact.com/RIF-training-series
- » Fact Sheets: FedImpact.com/Fact-Sheets
- » Articles: FedImpact.com/Articles
- » Podcasts: FedImpact.com/Podcasts
- » Webinars: FedImpact.com/Webinars
- » Workshops: FedImpact.com/Attend

RIF Training Series: FedImpact.com/RIF-training-series

- » Am I at risk of RIF?
- » 12 things to do now
- » VERA vs. VSIP vs. DSR
- » RIF vs. DRP
- » Will I lose my pension?
- » What if I'm already eligible?
- » Don't qualify for VERA/DSR
- » What if I have < 5 years?
- » Can I volunteer for RIF?
- » Is it better to quit?
- » Will I get severance pay?
- » What about VSIPs?
- » Do I get unemployment?
- » Will I lose leave (AL/SL)?
- » What if I return to service?
- » Do I keep my insurance?
- » Can I buy back mil svc?
- » How do I access TSP?

Fact Sheets: FedImpact.com/Fact-Sheets

- » Voluntary Early Retirement Authority (VERA)
 - » Voluntary Separation Incentive Payment (VSIP)
 - » Discontinued Service Retirement (DSR)
 - » Severance Pay
- Each sheet includes:**
- Overview
 - Eligibility
 - Frequently Asked Questions
 - How each federal benefit is affected

Articles: FedImpact.com/Articles

- » Financial planning pep talk for federal employees
- » Market volatility and your TSP
- » 12 things every federal employee should do right now
- » Planning for long-term care
- » 10 tips to "test drive" your retirement
- » 5 tips to evaluate your life insurance needs
- » 3 signs you're not ready to retire
- » 7 TSP mistakes federal employees should avoid
- » 4 actions to take now to avoid the FEGLI trap

Podcast Episodes: FedImpact.com/Podcasts

- » RIF Training series (audio only version)
- » The truth about "water cooler" experts
- » The 8 ProFeds planning principles
- » Retirement - are you in it to win it?
- » Striving for financial freedom
- » Why your agency's retirement estimate isn't enough
- » Your mindset on TSP in a down market
- » Playing offense & defense in retirement
- » 3 key professionals to have in your corner

Webinar Replays: [FedImpact.com/Webinars](https://www.fedimpact.com/webinars)

- » Legislative plans targeting federal benefits
- » The “F” Bomb for federal employees
- » What HR can’t tell you about your benefits
- » Preparing for DOGE workforce reductions
- » Maintaining solid habits in the TSP
- » 3 ways a court order wrecks your federal retirement
- » Leaving your federal pension to your children
- » Health Insurance (FEHB) in retirement
- » TSP withdrawal options in retirement

Workshops: [FedImpact.com/Attend](https://www.fedimpact.com/attend)

- » Full-day, in-person training
 - » Available throughout the country
 - » Free to attend
 - » Use SF-182 for admin time
 - » Spouses are welcome
 - » One-on-one help is available to create a custom 20+ page FedImpact Report
- Each workshop covers:**
- General planning
 - Fed pension (CSRS/FERS)
 - Survivor Benefits
 - Retirement Supplement
 - Life Insurance (FELI)
 - Health Insurance (FEHB)
 - Long Term Care (FLTCIP)
 - Thrift Savings Plan (TSP)

Wrap-Up

- » If you don’t feel better prepared now to retire than you did in January, it’s time to fix that!
- » When you know your numbers, your financial decisions become obvious
- » Nobody should care more about your retirement than you do, so own your future and nurture it carefully
- » You deserve to feel great about the decisions you are making and to be confident when you step into retirement



**DISCOVER HOW TO BE THE HERO
IN YOUR OWN RETIREMENT STORY**

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

"The most information I have ever received and heard in my ENTIRE military and Federal career."
L.B., Department of Defense



Retire with confidence.

- » 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!
 - **From File to Finish: Your Federal Retirement Package**
What to expect as your CSRS/FERS retirement is being processed
- » Sign-up at:
FedImpact.com/Webinar

Thank you for
joining us

Stay tuned for benefits
and news updates



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