



File to Finish: Your Retirement Package

From File to Finish: Your Federal Retirement Package

**What to expect as your CSRS/FERS
retirement is being processed**

File to Finish: Your Retirement Package

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!

File to Finish: Your Retirement Package

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 this webinar will NOT cover

Agenda

- » **TIMELINE:** The average processing time (and what can make it longer)
- » **PAY:** How you'll be paid after you leave service but before your retirement is finalized
- » **BENEFITS:** What happens to the benefits you've elected to keep in retirement
- » **CHANGES:** Modifications you can make within a brief window after separating
- » **TO DO'S:** A checklist of items to do before you leave federal service

Timelines to Expect



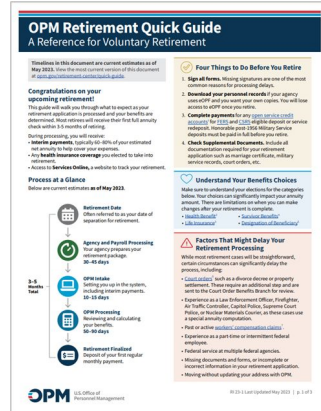
The Timelines

- » 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
 - Typically, OPM does not receive your retirement package until after you leave federal service (once your agency is done with their part)

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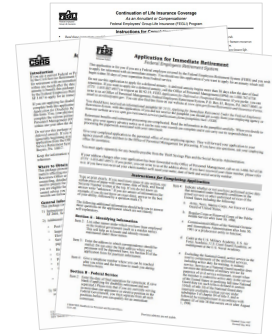
OPM's Retirement Quick Guide

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



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Your Retirement Package



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OPM's "Online Retirement Application" (ORA)

- » Launched in June 2025:
 - Agencies are being "phased in" to OPM's new online process based on the payroll processor they use
 - Beginning July 15th, OPM will not accept paper retirement packages (they must be done through the ORA Portal)
 - For details on the ORA Portal:
[FedImpact.com/ora-help](https://www.fedimpact.com/ora-help)



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Your Retirement Package

- » 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 Can Slow Your Package Down

- » Court orders:
 - Divorce decrees or Property settlement
- » Special Employee or Service Types:
 - Experience as a Law Enforcement Officer, Firefighter, Air Traffic Controller, Capitol Police, Supreme Court Police, or Nuclear Materials Courier
 - Past or active workers' compensation claims
 - Experience as a part-time or intermittent federal employee
 - Federal service at multiple federal agencies

What Can Slow Your Package Down

- » Administrative Issues:
 - Missing documents and forms
 - Incomplete or incorrect information in your retirement application
 - Moving without updating your address with OPM

Completing Retirement Paperwork

- » You will make the following important decisions:
 - Choosing your retirement date (can change until separated)
 - Selecting your tax withholdings for your pension
 - Confirming your eligibility to keep other benefits like FEHB, FEGLI, FEDVIP and FLTCHIP in retirement
 - Deciding how much life insurance (FEGLI) you will keep
 - Webinar Replay: [FedImpact.com/webinar-FEGLI](https://www.fedimpact.com/webinar-FEGLI)
 - Electing to protect some of your pension for your spouse
 - Webinar Replay: [FedImpact.com/webinar-SBP](https://www.fedimpact.com/webinar-SBP)

Interim Payments



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The Transition Period

- » It will take OPM several months to finalize your retirement application
- » During this time:
 - You will receive 60-70% of your gross pension (with only federal taxes being withheld),
 - You will not receive the Special Retirement Supplement while you are in an “interim” status

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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

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Once OPM Finalizes Your Numbers

- » The amount that OPM retained (the 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
- » If you are entitled to the FERS Supplement
 - Any missed payments will be paid to you in lump sum
 - Future regular payments will begin

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Changes to Elections

Changes Allowed to the Elections Made in Your Package

» Survivor Benefits

- Within 30 days of your “first regular monthly annuity payment”:
 - You may **increase**, **decrease** or **cancel** a survivor election
- Between 31 days and 18 months of your “first regular monthly annuity payment”:
 - You may **add** or **increase** the survivor annuity for your spouse
- After the 18 month point:
 - MARRY/REMARRY: A **new election** may be made
 - DIVORCE: The Court Order may allow you to **reduce** or **cancel**

Changes Allowed to the Elections Made in Your Package

» FEGLI Benefits

- Very limited opportunities to adjust how your FEGLI coverage gradually declines in retirement
 - Basic: Can only **reduce** coverage
 - Option A: No changes allowed
 - Option B: Can only **reduce** coverage (unless changed before 65)
 - Option C: Can only **reduce** coverage
- You ALWAYS have the ability to CANCEL coverage at any time

Annual Leave Payout



Your Annual Leave Payout

- » Annual leave is paid out in lump-sum by your agency within a few weeks of retirement (may be two payments):
 - Taxed as “ordinary” income (agencies use two methods):
 - Flat tax (such as 20%) or treated as bi-weekly check
 - Withholdings:
 - YES: Federal/state/local taxes, FICA (SS/Medicare)
 - NO: CSRS/FERS contributions, TSP, insurance premiums (FEGLI, FEHB, FEDVIP, FLCIP, etc)
 - Webinar Replay: [FedImpact.com/webinar-leave](https://www.fedimpact.com/webinar-leave)

Your Exit Checklists



Your Prep Checklists

- » 12 Things to Do to Prepare for an Unexpected Exit from Federal Service:
FedImpact.com/12-Things
- » 10 Must-Do Steps to Retire from Federal Service:
FedImpact.com/10-Steps

12
10

Wrap-Up

- » Your careful attention to the retirement process will help it go smoothly
- » Be prepared to not receive your correct pension amount for many months
- » The elections you make in your retirement package are relatively final (so make them wisely)!
- » There's a lot you can't control in this process – but control what you can!

“When you know your numbers, your decisions become more obvious”

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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

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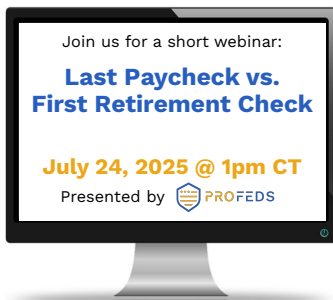
Handouts and Replay



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

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Next Webinar



- » Next webinar topic!
 - **Last Paycheck vs. First Retirement Check**
How your pay changes when you retire from federal service
- » Sign-up at:
FedImpact.com/Webinar

Thank you for joining us

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