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Subject: Retirement Planning One Year Out

1. As retirement nears, employees need to take a number of steps to ensure that this key life transition goes smoothly. This message lists steps that apply to most Foreign Service and Civil Service employees at the Department of State.

ONE YEAR BEFORE RETIREMENT

2. Employment Retirement Portal (ERP): Comprehensive Foreign Service and Civil Service retirement information is on the HR Portal <<http://intranet.hr.state.sbu/Pages/default.aspx>> 's Employee Retirement Portal (ERP) site (<https://hrweb.hr.state.sbu/prd/hronline/index.cfm>). ERP has a variety of job aids, eSeminars, and tutorials. There are also additional resources available from the Menu drop-down in the Help section. In addition, the ERP Resources page provides some basic guidance and resources that you may find helpful. OPM administers Civil Service retirement programs, so Civil Service annuitants may also consult www.opm.gov <<http://www.opm.gov>> for retirement information. Foreign Service retirement information is available on HR/RET's Retirement Network (RNet) internet site at www.rnet.state.gov <<http://www.rnet.state.gov>>. RNet offers a wealth of information, including a searchable database of Frequently Asked Questions.

3. Annuity Estimate: Use the ERP software to generate an individualized estimate of your annuity benefit. For employees in the FSPS or FERS retirement systems, ERP can also estimate the annuity supplement for those who retire before age 62. Use the Social Security Administration website at www.ssa.gov <<http://www.ssa.gov>> to generate an individualized estimate of Social Security benefits. Finally, use the Thrift Savings Plan website at www.tsp.gov <<http://www.tsp.gov>> to generate estimates of post-retirement TSP withdrawals under different scenarios. Employees can determine if their retirement income will match their projected post-retirement expenses.

4. Prior Service: If you had federal civilian or military service prior to joining the Department of State, you can increase your annuity by obtaining credit for that service. Employees must apply for prior service credit for retirement purposes -- a process that is distinct from the process by which prior service time is automatically added to a new employee's Service Computation Date (SCD) for leave accrual purposes. Your retirement SCD is different from the leave SCD listed on your SF-50 forms if you had prior service for which you have not applied for retirement credit. In most cases, credit is obtained by making a deposit to cover the employee retirement contributions (plus interest) that were not made originally. While no deposit is

required to transfer Civil Service retirement credit to the Foreign Service retirement fund (or vice versa), employees must proactively request that transfer. To submit a prior service application for military buyback, deposit or redeposit service, submit the request to HRSC@state.gov <<mailto:HRSC@state.gov>>. Employees should resolve their prior service issues at least one year before they retire.

5. Civil Service Divorce: A court order can divide a civil service retirement benefit as a result of a divorce, legal separation or annulment of marriage. For Civil Service employees, the Office of Personnel Management (OPM) reviews and administers civil service court ordered benefits. Civil Service employees should download Pamphlet RI 84-1 titled “Court Ordered Benefits for Former Spouses” from OPM’s website (<https://www.opm.gov/retirement-services/publications-forms/pamphlets/ri84-1.pdf>) or view OPM’s presentation (<https://www.youtube.com/watch?v=hZlaRfUtQB4>) on Court Ordered Benefits.

6. Foreign Service Divorce: The Foreign Service Act provides a statutory entitlement if a former spouse was married to a Foreign Service employee for at least 10 years of his/her creditable federal service (at least 5 of those 10 years must have occurred while the employee was a member of the Foreign Service) and the former spouse did not remarry prior to age 55. Unfortunately, sometimes state court orders fail to meet federal standards or one party contends that the order has a different meaning than its plain meaning. To check in advance for such issues, Foreign Service employees should e-mail a certified copy of the entire court order and all attachments to the HR Service Center at HRSC@state.gov <<mailto:HRSC@state.gov>> or e-mail that address asking for mailing instructions. HR/RET will review the documentation and provide the employee and their former spouse with a divorce determination letter.

Unfortunately, the ERP system does not include former spouse entitlements when issuing estimated annuity calculations. FS employees who have received a determination letter from HR/RET may request an annuity estimate reflecting the division of the annuity by sending an inquiry to HRSC@state.gov <<mailto:HRSC@state.gov>> and specify your request for an estimate from the divorce consultants.

7. Official Personnel File: Review the administrative section of your Official Personnel File (accessible via eOPF on the HR Portal) to ensure that it contains complete and accurate records documenting the following: the beginning and ending dates of each period of creditable civilian service; the effective dates for each promotion or within grade increase during service that might be used to compute the high-3 average salary; and documentation of any creditable military service. If the eOPF is incomplete, send a copy of the prior agency documentation to U.S. Department of State, Records and Information Management Division, HR/EX/RIM, SA-1 H-804, 2401 E Street, NW, Washington, DC 20522-0108, FAX 202-663-1862, for scanning into the employee's eOPF. If you do not have a copy of the prior agency documentation, e-mail opf@state.gov <<mailto:opf@state.gov>> to request that HR/EX/RIM obtain the prior service records from the previous agency or the National Archive’s National Personnel Records Center.

8. Designated Beneficiaries: Are your beneficiary designations up-to-date for life insurance, lump sum salary payment, and TSP savings? If you are not sure, check your online e-OPF to see if the beneficiary forms that you may have signed years ago reflect your current wishes. The forms are: retirement benefits (SF-3102 for FERS, SF-2808 for CSRS, or DS-5002 for FSPS and FSRDS), Federal Employees Government Life Insurance (SF-2823), and unpaid compensation (SF-1152). TSP beneficiary designations are maintained by TSP, so contact TSP on 1-877-968-3778 or submit a new designation (TSP-3) if you are unsure of what is currently on file. If any forms are incorrect or missing, submit new designation forms to

HRSC@state.gov <<mailto:HRSC@state.gov>> . New TSP-3 forms should be sent directly to TSP as explained on the form.

9. TSP: Employees are encouraged to set their TSP contributions to reach the IRS annual ceiling for contributions to tax-deferred accounts or as close to that ceiling as their finances permit. Employees who have reached age 50 and are contributing at a rate that will reach the IRS maximum by the end of the year may make additional "catch-up" contributions. The amount of TSP contributions can be adjusted through Employee Express.

10. Annual Leave: If you retire before the end of the leave year, you will receive a lump sum payment for all of your accrued annual leave after retirement. However, if you retire after the end of the leave year, your lump sum leave payment will be limited to the maximum leave ceiling. For example, if you retire on December 31st and the leave year does not end until January 5th, you will be paid for your entire balance of annual leave and it will not be limited to your maximum leave ceiling. However, if you retire on January 31st and the leave year ends on January 5th, you will be paid a lump-sum annual leave payment for your accrued annual leave that would be limited to your maximum leave ceiling.

11. Flexible Spending Accounts (FSA): By IRS law, annuitants cannot participate in flexible spending accounts. The FSA ends on the date of your separation. You will not receive the balance in your account as a refund. However, any health care expenses incurred prior to the date of separation will still be reimbursable but those incurred after the date of separation will not.

12. Retirement Savings: It is important to plan ahead for the first few months after retirement and remember that many of the payable benefits are not immediate and may take several weeks to months before you receive them. For example, employees should not assume immediate access to TSP savings or the lump sum payment for unused annual leave. After retirement, it typically takes six weeks before TSP funds are available and 12 to 14 weeks before the lump sum annual leave payment is made. New Civil Service retirees receive a reduced interim annuity during their first months of retirement until OPM completes the adjudication of their application. Thus, prior to retirement, they should build up savings to cover living expenses during that period. New Foreign Service retirees, whose applications are processed entirely inside the Department of State, do not face such concerns with their annuities as long as they have resolved their prior service issues and submit their retirement application 90 days prior to retirement. In most cases, Foreign Service retirees receive their first annuity check on the first day of the month following the date the annuity begins to accrue. For example in the case of a Foreign Service employee who retires on April 30th, the annuity will begin to accrue on May 1st and the first annuity check will be paid on June 1st.

SIX MONTHS BEFORE RETIREMENT

13. Foreign Service Institute (FSI) Courses: Register for the FSI job search and career transition course: To participate in the FSI Career Transition Center's Job Search Program (RV102) immediately prior to retirement (or during the 12 months following your retirement date), register through your Career Development Officer (Foreign Service) or Bureau Training Officer (Civil Service). You may do so as soon as registration is opened, but to start the course you must have submitted your retirement application to HR/RET at least 90 days prior to your retirement date. Retiring employees may also consider taking the four-day Retirement Planning Seminar (RV101) if they have not done so in the last several years. For employees who enroll in the Job Search Program in paid status, their retirement date must coincide with the last day of enrollment in the program.

14. Taxes: Retirement counselors cannot provide tax advice, so employees with questions about the taxation of retirement benefits should consult IRS Publication 721, Tax Guide to U.S. Civil Service Retirement Benefits, available on the IRS website at www.irs.gov <<http://www.irs.gov>> .

15. Retirement Meeting: Meet with your retirement counselor: most employees (accompanied by spouse, if applicable) find it useful to sit down with their HR/RET retirement counselor to have a comprehensive discussion of retirement procedures and benefits. Overseas employees may do this via telephone if they cannot visit D.C. during their final year of service. To schedule a meeting or telephone consultation, e-mail HRSC@state.gov <<mailto:HRSC@state.gov>> . At the meeting, the retirement counselor will:

- Provide an estimate of your retirement annuity.
- If you have prior service for which you have not made a deposit or redeposit, advise you about the effect of payment or nonpayment on your annuity.
- Check for other unresolved issues that might delay processing if not corrected.
- Explain the retirement application and related forms and the important decisions that you must make while completing them.
- Determine your eligibility to continue health benefits and life insurance coverage after retirement.
- Discuss your retirement date.
- Explain the implications of electing or not electing a survivor benefit for a spouse.
- Discuss the forms that require original signature.

THREE MONTHS BEFORE RETIREMENT

16. Transmit Retirement Application: Employees should complete and transmit the retirement application at least 90 days prior to retirement if they wish to receive their first annuity payment on time. Department of State employees must submit their retirement applications using the Employee Retirement Portal (ERP). ERP asks questions based on the employee's specific retirement system and then uses the answers to fill in the required forms which are transmitted electronically to HR/RET. The employee will receive an e-mail acknowledgement from HR/RET that the application has been received. Foreign Service employees cannot be paneled for retirement and be issued travel orders until their retirement application is submitted.

17. Career Achievement Awards: Retiring employees may submit Form DS-5079 to their retirement counselor to order their career achievement (retirement) awards. The form must be submitted at least 60 days in advance if the awards are needed for a pre-retirement ceremony.

18. Time and Attendance: It is important for your timekeeper to know when you retire in order to prevent an overpayment of your salary.

19. Retirement ID: Employees who expect to frequently visit the customer service areas of the Harry S. Truman Building or Columbia Plaza after retirement may obtain a retiree ID card by completing Form DS-1838 and appearing in person at HR/RET. After HR/RET certifies that you are retiring, you can go to the Diplomatic Security ID unit in the Truman Building for badge issuance. A signed Form DS-1838 is valid for 10 business days after HR/RET's signature.

20. Other Final Administrative Matters: Employees must complete other actions before retirement, including: obtaining Post Assignment Travel Authorizations (TM4), travel and shipment of effects, scheduling a separation medical examinations, turning in diplomatic passports and building access badges, resolving outstanding travel advances or other debts to the government, and submitting financial disclosure forms if in the senior Foreign Service.

AFTER RETIREMENT

21. Employee Express Password: Employee Express is available for 18 months after you retire, but you must log on at least once every 90 days to maintain access. It allows you to view and print pre-retirement Earnings and Leave Statements and W-2 Forms. After retirement you cannot reset your Employee Express password using the challenge questions, so it is important to retain your password. After you retire, OPM will send you a different password so you can access the annuitant section of Employee Express.

22. Post Assignment Travel: Foreign Service employees have one year from their last day in pay status to complete their post assignment travel. These orders need to be approved prior to retiring.

23. Lump Sum Payment of Annual Leave: Lump sum payment for unused annual leave can take 12 to 14 weeks after retirement to process. It is based on your salary and is subject to deductions for federal, state and local income taxes (if applicable), Medicare, and Social Security (if applicable). For questions regarding lump-sum annual leave payments, please contact Payroll Customer Support at the email address: payhelp@state.gov <<mailto:payhelp@state.gov>> or on 1-800-521-2553.

24. TSP Withdrawal: If you wish to make a partial or full TSP withdrawal, submit the appropriate form to TSP 30 days after you retire (it typically takes 45 days after retirement before TSP is ready to process withdrawal requests and those requests expire after 30 days if received before TSP is ready to process them). Under the current law, if you leave your money in the TSP, when you reach age 70½ you must arrange for a full withdrawal and make a required minimum distribution to take out of your account each year; otherwise, TSP initiates an account abandonment process. In September 2019, new rules go into effect for those who have reached 70½ and have not decided how they would like to withdraw funds from their accounts, the TSP will send a check to the participant for the minimum withdrawal payment required by IRS law. For details, go to www.tsp.gov <<http://www.tsp.gov>> or call TSP on 1-877-968-3778.

25. Contact Information: To update your address or direct deposit information, Foreign Service retirees should utilize Annuitant Employee Express at www.employeeexpress.gov <<http://www.employeeexpress.gov>> after OPM has sent a password that enables access. If you have trouble accessing Annuitant Employee Express, send an email to EEXHELP@OPM.gov <<mailto:EEXHELP@OPM.gov>> with the following information: your full name, your affiliation (Foreign Service Annuitant), your phone number, and a detailed description of your problem. Civil Service retirees may update their address and direct deposit information via OPM's Retirement Services Online website at www.servicessonline.opm.gov/ <<http://www.servicessonline.opm.gov/>> .

26. Annuitant Newsletter: Foreign Service Annuitants should look for the Annuitant Newsletter each year to ensure they stay up to date with contact information, cost of living adjustments, health care benefits and various other important announcements related to your benefits. The newsletter is posted each November to the RNET website (<https://rnet.state.gov>). Hardcopies can be requested by sending an email to HRSC@state.gov <<mailto:HRSC@state.gov>> .

27. Questions: If questions remain after reviewing this message, please contact HRSC@state.gov <<mailto:HRSC@state.gov>> .

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