“Healthy” Retirement Package

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Agenda

- Understand the term “Healthy” Retirement Package and what a “Healthy” Retirement Package consists of

- Identify the elements required for a retirement package

- Identify retirement package errors that can hinder an employee’s retirement
What is a “Healthy” Retirement Application Package?

The Office of Personnel Management (OPM) defines a “Healthy” Retirement as:

A complete and accurate package that does not have to be developed for missing, inaccurate or discrepant information.
Introduction to a “Healthy” Retirement Package

Retirement is one of the most important career events for a Federal employee and processing a Retirement Application is one of the most important tasks an Agency’s Human Resource Office (HRO) will complete.

In completing this task, the Agency HRO will:

• Provide guidance to an employee throughout the retirement application process
• Review the personnel folder for completeness
• Confirm the retirement eligibility date
• Confirm eligibility to continue insurance coverage into retirement
• Provide the employee with an annuity estimate
• Advise employee regarding designation of beneficiary forms
CSRS Retirement Application SF-2801

**Standard Form 2801**

- Used by current CSRS Federal employees seeking to retiree on an immediate annuity
- Not used for deferred or postponed annuity
- Used for a disability annuity
- [www.opm.gov/forms/standard-forms/](http://www.opm.gov/forms/standard-forms/)

**Sections & Schedules**

- Immediate Application for Retirement
- **Section A**-Identifying Information
- **Section B**-Federal Service
- **Section C**-Other Claim Information
- **Section D**-Insurance Information
- **Section E**-Marital Information
- **Section F**-Annuity Election
- **Section G**-Information About Children
- **Section H**-Direct Deposit & Tax Withholding
- **Section I**-Applicant’s Certification
- **Schedule A**-Military Service
- **Schedule B**-Military Retired Pay
- **Schedule C**-Federal Employee’s Compensation
- **Certified Summary of Service**
- Spouse’s Consent to Survivor Election
- **Schedule D**-Agency Checklist

Providing Professional Growth & Development to the HR Benefits Community
FERS Retirement Application SF-3107

- **Standard Form 3107**
  - Used by current FERS Federal employees seeking to retiree on an immediate annuity
  - Not used for deferred or postponed annuity
  - Used for a disability annuity
  - www.opm.gov/forms/standard-forms/

- **Sections & Schedules**
  - Immediate Application for Retirement
  - Section A-Identifying Information
  - Section B-Federal Service
  - Section C-Marital Information
  - Section D-Annuity Election
  - Section E-Insurance Information
  - Section F-Other Claim Information
  - Section G-Information About Children
  - Section H-Payment Instructions
  - Section I-Applicant’s Certification
  - Schedule A-Military Service
  - Schedule B-Military Retired Pay
  - Schedule C-Federal Employee’s Compensation
  - Certified Summary of Service
  - Spouse’s Consent to Survivor Election
  - Schedule D-Agency Checklist
1. Review submitted Retirement Application for completeness
2. Record service history and gather all of the health insurance, life insurance and Designation of Beneficiary forms (with the exception of the SF 1152 Unpaid Compensation)
3. Certify and transfer coverage under the Federal Employees’ Group Life Insurance program to OPM
4. Transfer employee’s enrollment under the Federal Employees Health Benefits program to OPM
5. Calculate a final retirement estimate
6. Prepare the Certified Summary of Federal Service along with additional agency forms to include the SF-2819 and SF-2821
7. Prepare and process the Standard Form 52, Request for Personnel Action
8. Send the completed retirement package to the servicing payroll office
Retirement Application – Transfer FEHB Enrollment

Steps to Complete:

- Document the employee’s health benefits status on the retirement application
  - SF-2801, Section A, item 6 of the Agency Checklist
  - SF-3107, Section A, item 7 of the Agency Checklist
- Note the employee’s plan enrollment code in the Remarks section of the IRR
  - SF-2806 for CSRS
  - SF-3100 for FERS
- Submit all SF 2810 forms
- Submit all SF 2809 forms or other enrollment requests, with any attached medical certificates or other documentation
Retirement Application – Transfer FEGLI Enrollment

Steps to Complete:

- Submit all OPF copies (original, signed versions) of SF-2817, SF-176, and SF-176T
- Submit a SF-2818 when employee is eligible for coverage in retirement
  - If employee is not eligible, give employee SF-2819*
- Submit original copies of all SF-2823s and SF-54s on file
- Submit a SF-2821 for all cases when the employee has FEGLI coverage
  - Retirement date and final salary must match the SF-2806/3100
  - Coverage must match the most recent SF-2817 and/or SF-50
  - Box 5 must be completed
    (if SF-2823 is indicated, it must be attached)
Verifying Service

**Primary Source**

Original documents verifying the employment of an individual include:

- Individual Retirement Record (IRR)
- SF50, Notification of Personnel Action
- Payroll Records (last resort)
- DD214, Member 4 Copy

**Secondary Source**

Acceptable only if it is established that official government records are incomplete or have been lost or destroyed in whole or in part:

Examples of secondary source documents include:

- Notices of appointment or separation, and
- Notices of changes in position, salary, organization, or headquarters to name a few
Verifying Prior Covered Service

- OPM will verify prior service to determine any withheld contributions

- Employee/Agency should provide to OPM dates of service, prior agency, and position title via fax or letter

- OPM will complete verification upon receipt of employee’s retirement application and records

- This type of request **will** cause a delay in processing
Retirement Package Errors

- Retirement package errors happen
- These errors halt the process for packages received by
  - Payroll
  - ...or even to OPM
- **Important**: HR Specialists’ awareness of what are the most common errors

- Errors identified at the agency level prior to mailing the retirement packages eliminates:
  - Payroll processing
  - OPM placing the annuitant in an “Interim Pay Status”
  - OPM adjudication
  - Unnecessary stress to the annuitant
Retirement Package Errors (cont.)

The following indicates some of the most common retirement errors that are often found or documents that are missing or incomplete from the retirement package:

- Name, SSN or DOB don’t match documents in the package
- The Agency Checklist for Immediate Retirement Procedures (Schedule D) incomplete or missing
- FEHB documentations not submitted, cancelled or suspended
- FEHB code on documentation is incorrect
- Documentation of Life Insurance waived, cancelled, not signed and not reflected
- Annuitant did make a survivor election on his/her application
- Spousal information/Marriage License not included in package; if married
- Proof of Common Law Marriage is not included
- Spousal Consent to Survival Election was not signed or notarized
- DD214, showing proof of military service, is missing
Required Forms

Required forms to submit to Office of Personnel Management

- Application for Immediate Retirement- SF2801/ SF3107
  - Schedules A, B, C SF2801/ SF3107
  - Spouse’s Consent to Survivor Election SF2801-2/SF 3107-2
- Continuation of Life Insurance- SF2818
- W-4P
- DD-214
- Marriage Certificate
- FEGLI Beneficiary Form- SF 2823 (if not on file)
- FERS/ CSRS Beneficiary Form (if not on file)
Application for Immediate Retirement SF-3107

Section A - Identifying Information
1. Name (last, first, middle)
2. List all other names you have used
3. Address (number, street, city, state, ZIP code)
4a. Daytime telephone & other retirement (mailing or work) telephone number
4b. Home address
5. Date of birth (month/day/year)
6. Social Security Number
7. Are you a citizen of the United States of America? Yes [ ] No [x]
8. Are you claiming retirement on disability? Yes [ ] No [x]
9. Do you have an application for disability retirement? Yes [ ] No [x]
10. Do you have a dependent or other person who will be claiming survivor benefits? Yes [ ] No [x]

Section B - Federal Service
1. Department or agency from which you are retiring (include bureau or division, address and ZIP code)
2. Type of position from which you are retiring
3. Date of final separation (month/day/year)
4. Date of last pay period worked
5. Type of retirement (annuity, disability, or survivor benefits)
6. Your pay plan and occupational series
7. Have you performed active service in the Armed Forces or other uniformed service of the United States? Yes [ ] No [x]
8. Have you completed Schedule B and attached it to this form? Yes [ ] No [x]
9. Have you completed Schedule C and attached it to this form? Yes [ ] No [x]

Section C - Marital Information
1a. Spouse's name (last, first, middle)
1b. Spouse's date of birth (month/day/year)
1c. Spouse's Social Security Number
1d. Place of marriage (city, state)
1e. Date of marriage (month/day/year)
1f. Marriage performed by:
1g. Clergyman or Justice of Peace

Section D - Annuity Election
Make your election by checking the box beside the type of annuity you wish to receive.

1. I choose a reduced annuity with maximum survivor annuity for my spouse named in Section C. If you are married at retirement, you will receive this type of annuity unless your spouse consents to your election. If you are married at retirement, your spouse's annuity will be 50% of your unreduced annuity. You must have your spouse's consent to choose this option.

2. I choose a reduced annuity with a partial survivor annuity for my spouse named in Section C. If you choose this option, your annuity will be reduced by 10%. Your spouse's annuity upon your death will be 15% of your unreduced annuity. You must have your spouse's consent to choose this option.

3. I choose an annuity payable only during my lifetime. If you are married at retirement, you cannot choose this type of annuity. However, if you are married at retirement, you may choose this option. The amount of your annuity will be based on your annuity at the time of retirement. The annuity will continue for the life of the surviving beneficiary unless the spouse is over 60 on the day of retirement. However, the survivor benefit will cease upon the death of the surviving beneficiary.

Initials required regardless of marital status
Application for Immediate Retirement SF-3107

List dependent children to include those incapable of self support
Application for Immediate Retirement SF-3107

Ensure banking info is complete and legible

Applicant’s signature located in center of page
List all military service regardless if post 56 deposit was made

Applicant’s signature
Certified Summary of Federal Service SF-3107-1

HR representatives must complete a full service history listing all creditable and non creditable service.
Non-deducted service listed in Section C

<table>
<thead>
<tr>
<th>Nature of action</th>
<th>Effective date</th>
<th>Basic salary rate</th>
<th>Leave without pay</th>
<th>If basic salary actually earned is available for retirement</th>
<th>Dates</th>
<th>Total amount</th>
</tr>
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HR Representative’s Signature

Section D - Agency Certification

I certify that the information on this form accurately reflects verified information contained in official records and that the employee has sufficient service to be entitled to such benefits. I further certify that all required documentation in support of this application is attached, accurate, and complete.

Signature of reviewing agency official

Date

Section E - Employee's Certification

The service listed is complete.

Additional service if you claim additional service, attach (signed statement) giving dates, positions, titles, and locations of employment, including agencies, locations, and dates. Claimed service must be certified by the employee's employing agency before it is accepted for retirement. This includes unverified service listed on the SF 144, Statement of Prior Federal Civilian and Military Service, or similar affidavits.

Note: If you have performed Federal civilian service subject to social security deductions (FICA) or not subject to retirement deductions, be sure that your agency has correctly completed Section C above.

Signature of employee

Date
Spouse’s Consent to Survivor Election

Election on Part 1 must match Section D of the SF-3107

Spouse’s Consent to Survivor Election must be signed by spouse and notary.

SIGNATURES and DATES MUST MATCH!
### Agency Checklist of Immediate Retirement Procedures
#### Federal Employees Retirement System

**Section A: Employing Office Checklist**
- To be completed by office maintaining Official Personnel Folder (OPF).

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Name the done by</td>
</tr>
<tr>
<td>2.</td>
<td>Date of birth (month/year)</td>
</tr>
<tr>
<td>3.</td>
<td>Social Security Number</td>
</tr>
<tr>
<td>4.</td>
<td>Type of retirement</td>
</tr>
<tr>
<td>5.</td>
<td>Date of retirement</td>
</tr>
<tr>
<td>6.</td>
<td>Pay Plan and Compensation Code or Retirement</td>
</tr>
<tr>
<td>7.</td>
<td>Social Security Number</td>
</tr>
</tbody>
</table>

**Section B: Payroll Office Checklist**
- To be completed by office maintaining the Retired Employee Record.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>List any document which is attached but not listed above</td>
</tr>
<tr>
<td>9.</td>
<td>Certification by Chief Financial Officer or Designee - certify that the above accurately reflects certified information in official records and that the applicant has no right or interest in any property to support and that any property to support is not listed above</td>
</tr>
</tbody>
</table>

**Office Title**
Office Title

**Address**
Address

**Reason to contact for further information**
Reason to contact for further information

**Retiring Employee Number**
Retiring Employee Number

**Retiring Employee Social Security Number**
Retiring Employee Social Security Number

**Retiring Employee Pay Plan**
Retiring Employee Pay Plan

**Certification by Payroll Office**
Certification by Payroll Office

**Section C: Payroll Office Checklist**
- To be completed by the office maintaining of the Retired Employee Record.

<table>
<thead>
<tr>
<th>Step</th>
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<tbody>
<tr>
<td>10.</td>
<td>List any document which is attached but not listed above</td>
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<td>Certification by Chief Financial Officer or Designee - certify that the above accurately reflects certified information in official records and that the applicant has no right or interest in any property to support and that any property to support is not listed above</td>
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Retiring Employee Number

**Retiring Employee Social Security Number**
Retiring Employee Social Security Number

**Retiring Employee Pay Plan**
Retiring Employee Pay Plan

**Certification by Payroll Office**
Certification by Payroll Office
Continuation of Life Insurance SF-2818

Must have basic to continue optional coverage

No errors, stray marks, corrections, or white out

Applicant’s signature
Designation of Beneficiary Form SF-2823

No errors, stray marks, corrections, or white out
W-4P Federal Tax Withholding

Withholding Certificate for Pension or Annuity Payments

General Instructions

Sign this form. If Form W-4P is not valid unless you sign it. You can also use the calculator at www.irs.gov/W4App to determine your tax withholding more accurately. Consider using this calculator if you have a complicated tax situation, such as if you have more than one pension or annuity, are working, or have a large amount of income outside of your penalties.

After your Form W-4P is valid, you can also use this calculator to see how much of your tax you are withholding compared to your projected total tax for 2019. If you have more than one tax witheld, you will owe tax when you file your tax return, and you might owe a penalty.

Forms with multiple pensions or more than one income, if you have more than one source of income subject to withholding (such as one person or more than one pension or annuity payments) and if you are married filing jointly and your spouse is working, read all of the instructions, including the instructions for the Multiple Pensions-More Than One Income Worksheet, before beginning.

Other incomes, if you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-EZ, Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-EZ and Pub. 505 at www.irs.gov/form505. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the calculator at www.irs.gov/W4App to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the calculator at www.irs.gov/W4App to find out if you should adjust your withholding on Form W-4 or Form W-4P.

Note: Social security and railroad retirement payments may be subject to federal income taxes. See Form W-4, Voluntary Withholding Request, for information on voluntary withholding from these payments.

Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans. Federal income tax withholding on payments made under these plans is determined by using your W-4P and the wage bracket withholding tables. The method and rate of withholding depend on (a) the kind of payment you receive, (b) whether the payments are to be delivered outside the United States or its possessions, and (c) whether the recipient is a resident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are not taxable and, therefore, are not subject to withholding. See page 3 for special withholding rules that apply to payments to be delivered outside the United States and payments to foreign persons.
Summary

1. Identified what a “Healthy” Retirement Package is and what this package consist of

2. Identified the documents required for a retirement package

3. Recognized common retirement package errors that HR Specialists need to be aware of
Questions
References

• CSRS FERS Handbook Chapter 40 Planning and Applying for Retirement

• Benefits Administration Letter 12-103: Submitting “Healthy” Retirement Application Packages


• Attachment C – Civilian Service Annuitant Document Order for Retirement Package Submissions https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2012/12-103attachmentc.pdf