



# IHC Financial Group, Inc. Federal Employee Benefits Workbook

2010-2011 Edition



## FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

The group policy coverage available to most federal employees, including part-time employees, through the Federal Employees' Group Life Insurance (FEGLI) program is administered by the Metropolitan Life Insurance Company under a contract with the Office of Personnel Management.

### Basic Life Insurance

Your basic insurance amount depends on your annual basic pay. This excludes Cost of Living Adjustment (COLA). The minimum amount of basic life insurance is \$10,000, for those earning \$8,000 or less. **The cost of Basic Life Insurance is 15 cents bi-weekly or 32.5 cents monthly per thousand; however free for postal employees.**

### Basic Life Insurance - Extra Benefit

As indicated in the chart below, for employees age 35 or under, their basic coverage is multiplied by two. Beginning at age 36, the multiplication factor for the amount of basic insurance declines by 0.1 each year, until it reaches 1.0. Therefore, employees age 45 and over will receive no additional coverage.

Age	Factor
35 & under	1.0
36	0.9
37	0.8
38	0.7
39	0.6
40	0.5

Age	Factor
41	0.4
42	0.3
43	0.2
44	0.1
45	0.0

### Accidental Death and Dismemberment

Accidental death benefits are equal to your Basic Life insurance coverage. Accidental dismemberment benefits for the loss of a hand, foot, or eye are equal to half of the Basic Life Insurance Amount; however, if you lose any two of these, the full amount is payable. There is no additional cost for this coverage.

### Basic Life Insurance - Option A

Option A is a fixed amount of \$10,000 of coverage. An employee must have Basic coverage to be eligible for Option A. The costs are as follows:

Age Group	Bi-Weekly	Monthly
Under 35	\$0.30	\$0.65
35 - 39	\$0.40	\$0.87
40 - 44	\$0.60	\$1.30
45 - 49	\$0.90	\$1.95
50 - 54	\$1.40	\$3.03
55 - 59	\$2.70	\$5.85
60 - 64	\$6.00	\$13.00
65 - 69	\$6.00	\$13.00
70 - 74	\$6.00	\$13.00
75 - 79	\$6.00	\$13.00
80+	\$6.00	\$13.00

### Basic Life Insurance - Option B

An employee may choose Option B coverage with Basic Life, which is one, two, three, four, or five times the actual rate of basic pay, rounded to the next thousand.

### Basic Life Insurance - Option B (continued)

The premium per \$1,000 cost of Option B coverage is indicated in the chart below.

### Withholding Per \$1,000 Insurance

Age Group	Bi-Weekly	Monthly
Under 35	\$0.03	\$0.065
35 - 39	\$0.04	\$0.087
40 - 44	\$0.06	\$0.130
45 - 49	\$0.09	\$0.195
50 - 54	\$0.14	\$0.303
55 - 59	\$0.28	\$0.607
60 - 64	\$0.60	\$1.300
65 - 69	\$0.72	\$1.560
70 - 74	\$1.20	\$2.600
75 - 79	\$1.80	\$3.900
80+	\$2.40	\$5.200

## FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FGLI)

### Basic Life Insurance - Option C

You may elect Option C, or Family Optional Insurance, as part of your Basic Life insurance. This allows you to cover *eligible family members* in multiples up to five times per unit coverage. One unit is \$5,000 for your spouse and \$2,500 for each child.

- **Eligible Family Members** includes your present spouse and your unmarried, dependent children, including an adopted child, a stepchild, or a recognized natural child who is either living with you or receiving regular and substantial support from you. To be covered, a child must be under 22 years of age or, if over 22, incapable of self-support because of a mental or physical disability that was present before the child became 22 years of age.

The chart to the right lists the bi-weekly and monthly costs for Option C coverage.

Age Group	Bi-Weekly*	Monthly*
Under 35	\$0.27	\$0.59
35 - 39	\$0.34	\$0.74
40 - 44	\$0.46	\$1.00
45 - 49	\$0.60	\$1.30
50 - 54	\$0.90	\$1.95
55 - 59	\$1.45	\$3.14
60 - 64	\$2.60	\$5.63
65 - 69	\$3.00	\$6.50
70 - 74	\$3.40	\$7.37
75 - 79	\$4.50	\$9.75
80+	\$6.00	\$13.00

\* The above factors are per unit.

### Basic Life

Line 1 - Your current basic pay \$ \_\_\_\_\_

Line 2 - Round up to next thousand \$ \_\_\_\_\_

Line 3 - Add \$2,000 \$ **2,000** \_\_\_\_\_

Line 4 - Total Basic Insurance (Add Lines 2 and 3) \$ \_\_\_\_\_

### Extra Benefit (if under 44)

Basic Life Insurance \$ \_\_\_\_\_

Multiplication Factor (see Extra Benefit Chart) x \_\_\_\_\_

Total Extra Benefit \$ \_\_\_\_\_

**Option A** \$ \_\_\_\_\_

### Option B

Enter Amount from Line 2 \$ \_\_\_\_\_

Enter Option B Multiple x \_\_\_\_\_

Total Option B Insurance \$ \_\_\_\_\_

**Employee's Total Life Insurance** \$ \_\_\_\_\_

### Option C

Number of Units \_\_\_\_\_

Spouse - \$5,000 per Unit \$ \_\_\_\_\_

Each Child - \$2,500 per Unit \$ \_\_\_\_\_

# FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

## Worksheet for Option B

Age	FEGLI Monthly Option B		Option 1	Option 2
	Monthly:	Annually:		
35				
40 - 44				
45 - 49				
50 - 54				
55 - 59				
60 - 64				
65 - 69				
70 - 74				
75 - 79				
80 +				
<b>Total Cost:</b>				
Over 20 Years:				
Over 30 Years:				
Savings				

### Continuation of Basic Coverage After Retirement

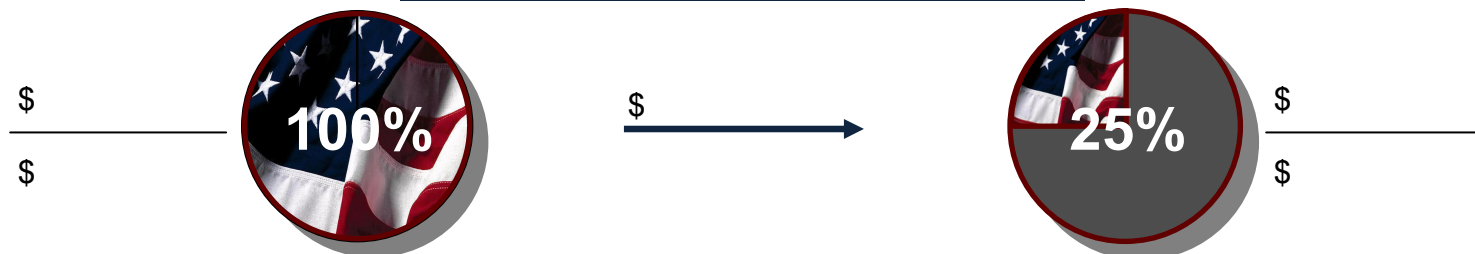
Effective at the end of the month after the month in which you become age 65 or retire (if later), your Option A coverage will reduce by 2% of the pre-retirement amount per month until it reaches 25% of the pre-retirement amount (\$2,500.00). Coverage is free after you turn age 65 or retire (if later). You cannot choose No Reduction for Option A.

Your Full Reduction Option B and C multiples are free after you reach age 65 or retire (if later), but reductions start. The Full Reduction multiples will reduce by 2% of the pre-retirement amount per month for 50 months, at which time that coverage will end. Effective April 24, 1999, Option B and C may be continued after retirement at per \$1,000 rates. You do have the option to continue paying the monthly premiums and maintain coverage.

### Basic Life and Option A

The change in premiums is effective the first of the month following the month in which you reach age 65. After age 65, Basic Life Insurance is free for all retirees. The 50% and No Reduction premiums continue for life.

Coverage Reduces 75% After Retirement\*



\*Effective April 24, 1999, Option B and C Coverage may be continued after retirement at per \$1,000 rates indicated on Pages 1 and 2.

## FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

### Continuation of Basic Coverage After Retirement - No Reduction

Basic Insurance Amount at Retirement  Age at Retirement = 55 through 59	Amount After Final Reduction (You Elected No Reduction)	Extra Benefit	Total Basic Life Insurance Including Extra Benefit	Monthly Cost Before Age 65			Monthly Cost at Age 65 and After:
				For Basic	For No Reduction	Total	
\$60,000.00	\$60,000.00	\$0.00	\$60,000.00	\$19.50	\$109.80	\$129.30	\$109.80
\$80,000.00	\$80,000.00	\$0.00	\$80,000.00	\$26.00	\$146.40	\$172.40	\$146.40
\$100,000.00	\$100,000.00	\$0.00	\$100,000.00	\$32.50	\$183.00	\$215.50	\$183.00

No Reduction - This choice results in a larger premium being charged - **\$2.155** per month per \$1,000 of coverage until age 65 and **\$1.83** per month per \$1,000 of coverage thereafter.

### Continuation of Basic Coverage After Retirement - 50% Reduction

Basic Insurance Amount at Retirement  Age at Retirement = 55 through 59	Amount After Final Reduction (You Elected 50% Reduction)	Extra Benefit	Total Basic Life Insurance Including Extra Benefit	Monthly Cost Before Age 65			Monthly Cost at Age 65 and After:
				For Basic	For 50% Reduction	Total	
\$60,000.00	\$30,000.00	\$0.00	\$60,000.00	\$19.50	\$36.00	\$55.50	\$36.00
\$80,000.00	\$40,000.00	\$0.00	\$80,000.00	\$26.00	\$48.00	\$74.00	\$48.00
\$100,000.00	\$50,000.00	\$0.00	\$100,000.00	\$32.50	\$60.00	\$92.50	\$60.00

50% Reduction - This consists of a reduction of **1%** a month beginning at age 65, which continues until coverage reaches 50% of the basic policy value. There is a higher premium charged for the lesser reduction (i.e., **\$.925** per month per \$1,000 of coverage until age 65 and **\$.60** a month per \$1,000 of coverage thereafter).

### Continuation of Basic Coverage After Retirement - 75% Reduction

Basic Insurance Amount at Retirement  Age at Retirement = 55 through 59	Amount After Final Reduction (You Elected 75% Reduction)	Extra Benefit	Total Basic Life Insurance Including Extra Benefit	Monthly Cost Before Age 65			Monthly Cost at Age 65 and After:
				For Basic	For 75% Reduction	Total	
\$60,000.00	\$15,000.00	\$0.00	\$60,000.00	\$19.50	\$0.00	\$19.50	\$0.00
\$80,000.00	\$20,000.00	\$0.00	\$80,000.00	\$26.00	\$0.00	\$26.00	\$0.00
\$100,000.00	\$25,000.00	\$0.00	\$100,000.00	\$32.50	\$0.00	\$32.50	\$0.00

75% Reduction - This calls for coverage to be reduced by **2%** a month, beginning at age 65, with an ultimate reduction to 25% of the base policy value. Anyone who retires on or after January 1, 1990, must pay the same premium as active employees until age 65, (i.e. **\$.325** per month per \$1,000 of coverage). No further premium will be withheld after the calendar month in which the retiree becomes 65.

# CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

## Retirement

Retirement benefits are secured by the political commitment of the federal government to honor its agreements with its retired employees, a commitment that can only be altered by a change in law.

Employees hired before 1984 are members of the CSRS unless they elected coverage under the Federal Employee Retirement System (FERS). Employees who were originally hired before 1984, but who leave service and are rehired after December 31, 1983, are eligible to reenter CSRS if they have at least five years of service eligible for credit under CSRS. However, if you return after being gone for over one year, then you will be part of CSRS-Offset, and start paying into Social Security. Upon retirement you will have the same benefit as a CSRS employee until you reach the age for Social Security, then your CSRS Retirement will be reduced by the amount you are receiving from Social Security.

## Eligibility to Retire

Benefits under CSRS are payable to workers at least:

- Age 55 with 30 years of service
- Age 60 with 20 years of service
- Age 62 with 5 years of service

The amount of an employee's annuity depends primarily upon the "high-3" average pay and length of service. "High-3" average pay is the highest average annual pay produced by the employee's basic pay rates during any three consecutive years of service.

## Earned CSRS Retirement Percentages - Based on Years of Service

Years	Percentage	Years	Percentage	Years	Percentage
5	7.50%	18	32.25%	31	58.25%
6	9.25%	19	34.25%	32	60.25%
7	11.00%	20	36.25%	33	62.25%
8	12.75%	21	38.25%	34	64.25%
9	14.50%	22	40.25%	35	66.25%
10	16.25%	23	42.25%	36	68.25%
11	18.25%	24	44.25%	37	70.25%
12	20.25%	25	46.25%	38	72.25%
13	22.25%	26	48.25%	39	74.25%
14	24.25%	27	50.25%	40	76.25%
15	26.25%	28	52.25%	41	78.25%
16	28.25%	29	54.25%	42	80.00%
17	30.25%	30	56.25%	43	80.00%

## Retirement Annuities and Survivor Benefits

Under CSRS, an individual may use all of any portion of the Retirement Annuity for determining the Survivor Annuity. The Survivor Annuity benefit is 55% of the Retirement Annuity, or whatever portion of it is selected for use. The total cost of the Survivor Annuity is 2.5% of the first \$3,600 used as a base, plus 10% of any amount over

$$\frac{\text{Annual Annuity}}{\text{Annual Annuity}} \times \frac{\% \text{ Survivor Benefit}}{\% \text{ Survivor Benefit}} = \frac{\text{Annual Survivor Annuity}}{\text{Annual Survivor Annuity}} - \frac{3600}{\text{Annual Survivor Annuity}} = \frac{\text{Annual Survivor Annuity}}{\text{Annual Survivor Annuity}} \times 10\% + 90 =$$

Annual Cost \_\_\_\_\_

Monthly Cost \_\_\_\_\_

If you elect not to provide a survivor annuity, you and your spouse must state in writing that you do not wish your spouse to receive an annuity upon your death.

# CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Income Before Retirement

Income After Retirement  
50% - 70% Loss in Income

Surviving Spouse Income



**FEHB:** The federal employee must at least choose the minimum survivor benefit at retirement in order for their spouse to keep the government health insurance if the federal employee predeceases the spouse in retirement.

If you select the Survivor Annuity Plan, your spouse will receive approximately 55%, or a selected portion, of your Retirement Income upon your death.

Length of Service	Monthly Income	Monthly Retirement Annuity	Difference in Monthly Income	Surviving Spouse Monthly Income	Monthly Cost of Survivor Annuity
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

## Rules for Special Groups - Enforcement Officers and Firefighters

- Can retire at age 50 with at least 20 years of creditable service without reduction in annuity due to retirement prior to age 55
- Must retire at age 57. However, maximum age may be extended with approval to age 60
- Formula: 2.5% per year for the first 20 years x "High 3" + 2% per year over 20 years x "High 3"
- Contributions: 7.5% of Salary + Medicare tax

## Rules for Special Groups - Air Traffic Controllers

- Can retire at age 50 with at least 20 years of creditable service, or at any age with 25 or more years of creditable service without reduction in annuity due to retirement prior to age 55
- Must retire at age 56. However, this does not apply to ATCs with the DOT hired prior to 5/6/72, or with the DOD hired prior to 9/12/80
- Formula: Use regular formula. However, annuity will not be less than 50% of "High 3" at retirement
- Contributions: Same as regular CSRS: 7% + Medicare tax

# FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

## Retirement

All federal civilian workers first hired after 1983 are automatically covered by FERS, created by Congress as a result of the expansion of Social Security to federal employment, beginning in 1984. In FERS, workers who leave before eligibility for immediate benefits can begin to draw benefits at an earlier age than workers under CSRS. Retirement benefits are secured by the political commitment of the federal government to honor its agreements with its retired employees, a commitment that can only be altered by a change in law.

## Eligibility to Retire

Benefits under FERS are payable to workers with at least:

- Age 60 with 20 years of service
- Age 62 with five years of service
- After 30 years of service at the minimum retirement age (MRA), which is displayed in the chart below

The amount of an employee's annuity is calculated as follows:

- If under age 62:  
1% x "high-3" amount x years of service
- If at least 62 years old and at least 20 years service:  
1.1% x "high-3" amount x length of service

Current Age: \_\_\_\_\_

Current Years of Service : \_\_\_\_\_

Age at Retirement: \_\_\_\_\_

Years of Service at Retirement: \_\_\_\_\_

"High 3":           \$ \_\_\_\_\_

X .1% or 1.1%:     \$ \_\_\_\_\_

= \$ \_\_\_\_\_

X Years of Service: \_\_\_\_\_

Retirement Annuity

Annual:           \$ \_\_\_\_\_

Monthly:         \$ \_\_\_\_\_

If Born:	Minimum Retirement Age:
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
1970 and after	57

## Reduced Benefits for Early Retirement

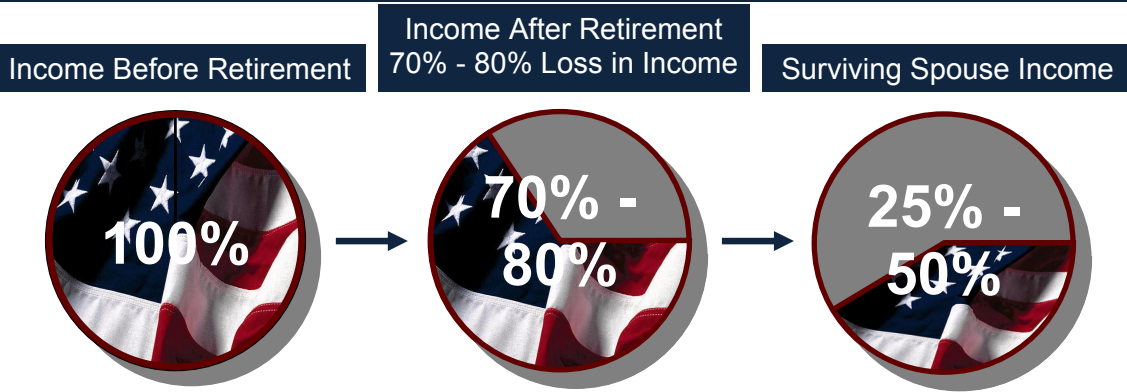
Workers are able to retire at the MRA with 10 years of service, with a reduction of 5% for each year the worker is under age 62 at retirement. This option does not exist under CSRS.

## Retirement Annuities and Survivor Benefits

Under FERS, an individual may use 25% or 50% of the Retirement Annuity for the Survivor Annuity. With the 25% annuity option, if the employee dies, the survivor will receive an annuity of 1/4 of the base annuity. The cost for this option is 5% of the Retirement Annuity. By selecting the 50% annuity option, the survivor will receive an annuity of 1/2 the base annuity. The cost is 10% of the Retirement Annuity.

If you elect not to provide a survivor annuity, you and your spouse must state in writing that you do not wish your spouse to receive any annuity upon your death.

## FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)



**FEHB:** The federal employee must at least choose the minimum survivor benefit at retirement in order for their spouse to keep the government health insurance if the federal employee predeceases the spouse in retirement.

If you select the Survivor Annuity Plan, your spouse will receive approximately 25% or 50% of your Retirement Income upon your death.

Length of Service	Monthly Income	Monthly Retirement Annuity	Difference in Monthly Income	Surviving Spouse Monthly Income	Monthly Cost of Survivor Annuity
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

### Rules for Special Groups - Law Enforcement Officers, Firefighters, and Air Traffic Controllers

- Can retire with unreduced benefits at age 50 with at least 20 years of creditable service, or any age with 25 or more years of creditable service
- Formula: 1.7% per year for the first 20 years x “High 3” + 1% per year over 20 years x “High 3”
- Contributions: 1.3% of salary, plus Social Security and Medicare

### Rules for Special Groups - Military Reserve Technicians

- Can retire with unreduced benefits at age 50 with at least 25 years of creditable service

## COST OF LIVING ADJUSTMENT (COLA)

### COLA

Annual COLAs will be made to pension benefits paid to retirees age 62 and over, based on the CPI. If the CPI is 2% or less, the pension benefit will be adjusted according to when the benefits first commenced; however, the COLA will not be more than 2%. If the CPI increase is between 2% and 3%, the COLA will be equal to 2%. If the CPI increase is more than 3%, the COLA will be equal to the CPI increase minus 1%.

The table below displays the increases received by Federal employees since 2000 for both FERS and CSRS.

Year	FERS - Rate	CSRS - Rate	Year	FERS - Rate	CSRS - Rate
2010	0	0	2005	2.0	2.7
2009	4.8	5.8	2004	2.0	2.1
2008	2.0	2.3	2003	1.4	1.4
2007	2.3	3.3	2002	2.0	2.6
2006	3.1	4.1	2001	2.5	3.5

## THRIFT SAVINGS PLAN (TSP)

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The Federal Retirement Thrift Investment Board administers the TSP and contracts with the U.S. Department of Agriculture's National Finance Center (NFC) to serve as the TSP record keeper.

The Federal Retirement Thrift Investment Board is an independent government agency. The Board consists of five members who serve in a part-time capacity. They are nominated by the President and confirmed by the Senate. The five members of the Board and the Executive Director are required by law to manage the TSP prudently and solely in the interest of the participants and their beneficiaries.

Money in the TSP and earnings on that money cannot be used for any purpose other than providing benefits to participants and their beneficiaries and paying TSP administrative expenses.

### Employee Contributions

**FERS/CSRS Participants** - You can elect to contribute to the TSP at any time; there is no waiting period. The amount you can contribute changes annually. You may elect to contribute any dollar amount or percentage (1 to 100) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit, which is **\$16,500** for 2010.

**FERS** - Once you are eligible, you will receive:

- Agency Automatic (1%) Contributions
- Agency Matching Contributions
- Immediate vesting in Agency Matching Contributions and vesting - generally in three years - in Agency Automatic (1%) Contributions

When investing in the funds, you will sign a statement that you understand that you are making an investment at your own risk. You will also not be protected by the U.S. Government or the Federal Retirement Thrift Investment Board against investment loss in the Funds, nor do they guarantee a return on your investment.

### TSP Loan Program - Terms of Loan

- Residential is 1 to 15 years
- General Purpose is 1 to 5 years

### Employer Matches

	FERS	CSRS
1%-3% of basic pay is matched	<b>100%</b>	<b>0%</b>
4%-5% of basic pay is matched	<b>50%</b>	<b>0%</b>
6% +	<b>0%</b>	<b>0%</b>

FERS - 1% automatic agency contribution

### TSP Loan Program - Eligibility

You are eligible for a TSP Loan Program under the following criteria:

- If you are a current employee in a pay status
- Your TSP account must have at least \$1,000 in employee contributions and associated earnings
- Your loan balance must be within limits of federal tax law
- The amount left in your paycheck after the loan payment and other deductions must equal to at least 10% of basic pay
- You must document expenses for the allowed purposes or demonstrate financial hardship
- FERS employees must get spousal consent

### Investment on TSP Accounts

Both FERS and CSRS employees have the option of investing in any of the six funds offered through the TSP. Employees also have the option of making 12 inter-fund transfers within one calendar year, subject to one transfer per month. The six funds are as follows:

- **G Fund, Government Securities:** managed directly by the Thrift Investment Board and consists of investments in short-term, non-marketable U.S. Treasury securities \_\_\_\_\_%
- **C Fund, Common Stock Index:** designed to replicate the Barclays Equity Index Fund \_\_\_\_\_%
- **F Fund, Fixed Income:** bond index fund invested primarily in the Barclays U.S. Debt Index Fund \_\_\_\_\_%
- **S Fund, Small Capitalization Stock Index:** tracks the Wilshire 4500 Index of smaller U.S. company stocks \_\_\_\_\_%
- **I Fund, International Stock Index:** tracks the Morgan Stanley EAFE Index of mostly large companies in 20 countries in Europe, Australia, Asia, and the Far East \_\_\_\_\_%
- **L Funds:** provide employees with a convenient way to diversify their accounts among the G, F, C, S, and I Funds, using professionally determined investment mixes that are tailored to different time horizons. Your time horizon is the date, after you leave the Federal Service, that you think you will need the money in your TSP account. \_\_\_\_\_%

When investing in the funds, you will sign a statement that you understand that you are making an investment at your own risk. You will also not be protected by either the U.S. Government or the Federal Retirement Thrift Investment Board against investment loss in the Funds, nor do they guarantee a return on your investment.

# THRIFT SAVINGS PLAN (TSP)

## TSP Worksheet

$$A \quad \$ \frac{\text{_____}}{\text{TSP Current Balance}} \times \frac{\text{_____}}{\text{Assumed Interest Rate}} \times \frac{\text{_____}}{\text{Years Until Retirement}}$$

$$B \quad \$ \frac{\text{_____}}{\text{Annual Contributions}} \times \frac{\text{_____}}{\text{Assumed Interest Rate}} \times \frac{\text{_____}}{\text{Years Until Retirement}}$$

$$\$ \frac{\text{_____}}{A} + \$ \frac{\text{_____}}{B} = \$ \frac{\text{_____}}{\text{Total}}$$

$$\$ \frac{\text{_____}}{1,000 \text{ of Plan Balance}} \times \$ \frac{\text{_____}}{\text{Factor}} = \$ \frac{\text{_____}}{\text{Total Monthly Annuity*}}$$

### TSP Loan Program - Purposes

- *Purchase of a Primary Residence* - Primary residence includes a house, condominium, townhouse, or mobile home which is not used on a transient basis.
- *General Purpose Loans* - Loans are available for any purpose according to plan guidelines. You may have one general loan and one residential loan from your TSP account at any one time.
- *Financial Hardship* - Participants may also qualify for a hardship loan.

### TSP Rules for Age-Based Withdrawals

Employees can make a one-time only in-service withdrawal of all or any portion of their vested account balance. The request must be for at least \$1,000 (withdrawals of the entire account balance can be made if it is less than \$1,000)

Employees who take an age-based withdrawal will not be eligible for a partial withdrawal after separation from federal service

### TSP Withdrawal Options

The TSP provides four basic ways to make withdrawals:

- Have TSP purchase a life annuity
- Receive your TSP funds in a single payment
- Receive your TSP funds in a series of monthly payments
- Transfer or rollover your account to another qualified plan

\* This is an estimate only and does not take into consideration actual returns or program rate changes TSP may make.

## Approximate Monthly Annuity Payments per \$1,000 of Plan Balance

		Single Life Annuities		Joint Life Annuities	
Age	Life Only	10 Years Certain & Life	100% Spouse Same Age	50% Spouse Same Age	
50	\$6.10	\$6.00	\$5.60	\$6.10	
55	\$6.40	\$6.30	\$5.80	\$6.40	
60	\$6.90	\$6.80	\$6.20	\$6.90	
65	\$7.60	\$7.30	\$6.60	\$7.60	
70	\$8.60	\$8.10	\$7.30	\$8.70	
75	\$10.10	\$9.10	\$8.30	\$10.20	

### TSP In-Service Withdrawals

TSP participants who are still employed by the Federal Government can withdraw from their account for only two purposes:

- Age-based in-service withdrawals for participants who are 59½ or older
- Financial hardship in-service withdrawals for participants who can document financial hardship

Employees who have taken an in-service withdrawal cannot return or repay the money from their account.

### TSP Withdrawal Upon Separation or Retirement

When employees leave federal service, their agency will give them a withdrawal package which describes TSP withdrawal options and procedures for making them.

Employees must be separated or retired for 31 or more full calendar days to be eligible to withdraw their account. After the account has been disbursed, the request cannot be changed. However, employees receiving a series of monthly payments can request at any time to have the balance of their account paid out in a single payment or change where the payments are sent.

### TSP Forms

Form TSP-70: Request for Full Withdrawal

Form TSP-77: Request for Partial Withdrawal when Separated

Form TSP-16: Exception to Spousal Requirements

Form TSP-75: Request for Age Based In Service Withdrawal

For more information on TSP,  
call the Thrift-Line at:  
1-877-968-3778,  
or visit:  
[www.tsp.gov](http://www.tsp.gov)

END OF YEAR	2%	3%	4%	5%	6%	7%	8%
1	\$ 1.0200	\$ 1.0300	\$ 1.0400	\$ 1.0500	\$ 1.0600	\$ 1.0700	\$ 1.0800
2	1.0404	1.0609	1.0816	1.1024	1.1236	1.1449	1.6640
3	1.0612	1.0927	1.1249	1.1576	1.1910	1.2250	1.2597
4	1.0824	1.1255	1.1699	1.2155	1.2625	1.3108	1.3605
5	1.1041	1.1593	1.2167	1.2763	1.3382	1.4026	1.4693
6	1.1262	1.1941	1.2653	1.3401	1.4185	1.5007	1.5869
7	1.1487	1.2299	1.3159	1.4071	1.5036	1.6058	1.7138
8	1.1717	1.2668	1.3686	1.4775	1.5938	1.7182	1.8509
9	1.1951	1.3048	1.4233	1.5513	1.6895	1.8365	1.9990
10	1.2190	1.3439	1.4802	1.5289	1.7908	1.9672	2.1589
11	1.2434	1.3842	1.5395	1.7103	1.8963	2.1049	2.3316
12	1.2682	1.4258	1.6010	1.7959	2.0122	2.2522	2.5182
13	1.2936	1.4685	1.6651	1.8856	2.1329	2.4098	2.7196
14	1.4195	1.5126	1.7317	1.9799	2.2609	2.5785	2.9372
15	1.3459	1.5580	1.8009	2.0789	2.3966	2.7590	3.1722
16	1.3728	1.6047	1.8730	2.1829	2.5404	2.9522	3.4259
17	1.4002	1.6258	1.9479	2.2920	2.6928	3.1588	3.7000
18	1.4282	1.7024	2.0258	2.4066	2.8543	3.3799	3.9960
19	1.4568	1.7535	2.1068	2.5270	3.0256	3.6165	4.3157
20	1.4859	1.8061	2.1911	2.6533	3.2071	3.8697	4.6610
21	1.5157	1.8603	2.2788	2.7860	3.3996	4.1406	5.0338
22	1.5460	1.9161	2.3599	2.9253	3.6035	4.4304	5.4365
23	1.5769	1.9736	2.4647	3.0715	6.8197	4.7406	5.8715
24	1.6084	2.0328	2.5633	3.2251	4.0489	5.0724	6.3412
25	1.6406	2.0939	2.6658	3.3864	4.2919	5.4274	6.8485
26	1.6723	2.1566	2.7725	3.5557	4.5494	5.8074	7.3964
27	1.7069	2.2213	3.8834	3.7335	4.8223	6.2139	7.9881
28	1.7410	2.2879	2.0097	3.9201	5.1117	6.6488	8.6271
29	1.7758	2.3566	3.1187	4.1161	5.4184	7.1143	9.3173
30	1.8114	2.4273	3.2434	4.3219	5.7435	7.6123	10.0627
31	1.8476	2.5001	3.3731	4.5380	6.0881	8.1451	10.8677
32	1.8845	2.5751	3.5081	4.7649	6.4534	8.7153	11.7371
33	1.9222	2.6523	3.6484	5.0032	6.8406	9.3253	12.6760
34	1.9607	2.7319	3.7943	5.2533	7.2510	9.9781	13.6901
35	1.9999	2.8139	3.9461	5.5160	7.6861	10.6766	14.7853
36	2.0399	3.8983	4.1039	5.7918	8.1473	11.4239	15.9682
37	2.0807	2.9852	4.2681	6.0814	8.6361	12.2236	17.2456
38	2.1223	3.0748	4.4388	6.3855	9.1543	13.0793	18.6253
39	2.1647	3.1670	4.6164	6.7048	9.7035	13.9948	20.1153
40	2.2080	3.2620	4.8010	7.0400	10.2857	14.9745	21.7245

END OF YEAR	2%	3%	4%	5%	6%	7%	8%
1	\$ 1.0200	\$ 1.0300	\$ 1.0400	\$ 1.0500	\$ 1.0600	\$ 1.0700	\$ 1.0800
2	2.0604	2.0909	2.1216	2.1525	2.1836	2.2149	2.2464
3	3.1216	3.1836	3.2465	3.3101	3.3746	3.5499	3.5061
4	4.2040	4.3091	4.4163	4.5256	4.6371	4.7507	4.8666
5	5.3081	5.4684	5.6330	5.8019	5.9753	6.1533	6.3359
6	6.4343	6.6625	6.8983	7.1420	7.3938	7.6540	7.9228
7	7.5830	7.8923	8.2142	8.5491	8.8975	9.2598	9.6366
8	8.7546	9.1591	9.5828	10.0266	10.4913	10.9780	11.4876
9	9.9497	10.4639	11.0061	11.5779	12.1808	12.8164	13.4866
10	11.1687	11.8078	12.4864	13.2068	13.9716	14.7836	15.6455
11	12.4121	13.1920	14.0268	14.9171	15.8699	16.8885	17.9771
12	13.6803	14.6178	15.6268	16.7130	17.8821	19.1406	20.4953
13	14.9739	16.0863	17.2919	18.5986	20.0151	21.5505	23.2149
14	16.2934	17.5989	19.0236	20.5786	22.2760	24.1290	26.1521
15	17.6393	19.1569	20.8245	22.6575	24.6725	26.8881	29.3243
16	19.0121	20.7616	22.6975	24.8404	27.2129	29.8402	32.7502
17	20.4123	22.4144	24.6454	27.1324	29.9057	32.9990	36.4502
18	21.8406	24.1169	26.6712	29.6390	32.7600	36.3790	40.4463
19	23.2974	25.8704	28.7781	32.0660	35.7856	39.9955	44.7620
20	24.7833	27.6765	30.9692	34.7193	38.9927	43.8652	49.4229
21	26.2990	29.5368	33.2480	37.5052	42.3923	48.0057	54.4568
22	27.8450	31.4529	35.6179	40.4305	45.9958	52.4361	59.8933
23	29.4219	33.4529	38.0826	43.5020	49.8156	57.1767	65.7648
24	31.0303	35.4593	40.6459	46.7271	53.8645	62.2490	72.1059
25	32.6709	37.5530	43.3117	50.1135	58.1564	67.6765	78.9544
26	34.3443	39.7096	46.0842	53.6691	62.7058	73.4838	86.3508
27	36.0512	41.9309	48.9676	57.4026	67.5281	79.6977	94.3388
28	37.7922	44.2189	51.9663	61.3227	72.6398	86.3465	102.9659
29	39.5681	46.5754	55.0849	65.4388	78.0582	93.4608	112.2832
30	41.3794	493.0027	58.3283	69.7608	83.8017	101.0730	122.3459
31	43.2270	51.5028	61.7015	74.2988	89.8898	109.2182	133.2135
32	45.1116	54.0778	65.2095	79.0638	96.6462	117.9334	144.9506
33	47.0338	56.7302	68.8579	84.0670	103.1838	127.2588	157.6267
34	48.9945	59.4621	72.6522	89.3203	110.4348	137.2369	171.3168
35	50.9944	62.2759	76.5983	94.6363	118.1209	147.9135	186.1021
36	53.0343	65.1742	80.7022	100.6281	126.2681	159.3374	202.0703
37	55.2249	68.1594	87.9703	106.7095	143.9042	171.5610	219.3159
38	57.2372	71.2342	89.4091	113.0950	144.0585	184.6403	237.9412
39	59.4020	74.4013	94.0255	119.7998	153.7620	198.6351	258.0565
40	61.6100	77.6633	98.8265	126.8398	164.0477	213.6096	279.7810

## SOCIAL SECURITY BENEFIT

### Covered Federal Employees

All federal employees newly hired after December 31, 1983, are covered by Social Security and will pay Social Security taxes. This also includes employees with previous federal service (other than rehired annuitants) if their break in service was one year or longer.

### Fully Insured

Being fully insured is a status achieved after a worker accumulates a specific number of “quarters of coverage” (QC) under the Social Security system. You will need 40 quarters to be fully insured for life. Therefore, an individual employed for at least 10 years in jobs covered by Social Security can normally assume that they are fully insured.

### Retirement Age

Under Social Security, an employee may retire any time after reaching age 62 with similar monthly benefits for the rest of his/her life, or may wait until the age of 65 and receive full benefits. Beginning with individuals who reached the age of 62 in 2000, the minimum age for full benefits will gradually rise over a 21-year period until reaching the age of 67 in the year 2022.

If an employee retires before the age of 65, the reduction in retirement benefits is permanent, and consists of 5/9 of 1% of every month’s benefits received before reaching the age of 65. When the minimum retirement age reaches 67, the reduction will consist of 5/9 of 1% of every month’s benefits received before reaching the age of 67. Employees receiving Social Security benefits at the age of 62 before the retirement age increase will receive 80% of their benefits. This will decrease to 70% when the retirement age reaches 67.

### Survivor Benefits

If an employee is currently or fully insured, dependents may receive Social Security benefits at the employee’s death, based on earnings history and the number of QCs under Social Security.

The chart below shows the surviving dependents who may receive these benefits and the amounts they would receive. No survivor benefits are paid to a spouse without children or without a disability until the spouse reaches age 60. The Maximum Family Benefit also applies to survivor benefits.

Benefit-Dependent	Will Receive
Spouse age 65	100%
Spouse age 62	82.9%
Eligible Parent	82.5%
Spouse age 60	71.5%
Disabled Spouse age 50-59	71.5%
Spouse with eligible child under age 16 or disabled	75%
Each eligible child	75%

### Primary Insurance Amount (PIA)

Social Security retirement benefits are based on the age of retirement and on earnings history. The formula for computing benefits, or the PIA, utilizes the highest 35 years of indexed earnings, or Average Indexed Monthly Earnings (AIME), under Social Security to determine the amount of full Social Security benefits.

### COLA

All Social Security benefits (basic, dependents, disability, and survivors) will receive cost-of-living adjustments each year, reflecting the percentage increase in the CPI.

### Family Benefits

A spouse, former spouse, and children may also be eligible for Social Security dependent benefits when employees retire.

Benefits Paid To	% of Benefit They Receive
Spouse age 65	50%
Spouse age 62	37.5%
Spouse (any age with child under 16 or disabled)	50%
Each eligible child	50%

**Note:** “In 2017, we will begin paying more in benefits than we collect in taxes. Without changes, by 2041 the Social Security Trust Fund will be exhausted and there will be enough money to pay only about 75 cents for each dollar of scheduled benefits. We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.” ([www.socialsecurity.gov](http://www.socialsecurity.gov))

## LONG TERM CARE

The Long Term Care Security Act authorizes OPM to offer a long term care insurance program designed exclusively for members of the Federal Family. OPM regulates the Federal Long Term Care Insurance Program (FLTCIP) and plays an important role in ensuring that the FLTCIP remains up-to-date and competitive - a valuable benefit not found in other long term care insurance programs.

### Who is Eligible to Apply for this Insurance?

Several groups are eligible to apply for coverage under the FLTCIP. This includes Federal employees and annuitants, including members and retired members of the uniformed services, as well as qualified relatives.

### Features and Services:

*Home, assisted living and nursing care:* You can choose your care setting, whether at home, in an assisted living facility, in a nursing home, or in a variety of other settings. Additionally, the FLTCIP covers care provided in the home by friends, family members, and other unlicensed caregivers.

*Stay-at-home benefit:* The LTCIP offers a stay-at-home benefit which can pay benefits for numerous options that support care in a home environment such as care planning visits, home modifications, an emergency medical response system, durable medical equipment, caregiver training, and home safety checks.

*Portable coverage:* Once you have coverage, it is portable. You can keep it as long as you continue to pay the required premiums and have not exhausted your maximum lifetime benefit, even if you are no longer a member of an eligible group (for example, if you leave government employment).

*Guaranteed renewable:* Your insurance coverage is guaranteed renewable. It can never be canceled by the insurance carrier as long as you pay your premiums. It cannot be canceled due to your age or a change in your health.

*Waiver of premium:* Your coverage includes a waiver of premium. Once you have completed your waiting period, the waiver of premium feature allows you to stop paying premiums while you are receiving benefits.

If you initiate a claim and are approved for benefits, care coordinators will work with you and/or your family members to develop a plan of care to meet your individual care needs.

They can also help you find high-quality care providers in your area and relay the results of state survey reports regarding service availability, quality, costs, and licensing. Gaining access to this level of detailed information allows you to make a knowledgeable decision about which provider is best for you.

Care coordinators can also arrange for discounted services, monitor the care you're receiving, and assist with changing your plan of care as your needs change. This service is personal because you can talk to the same care coordinator who knows your particular situation each time you call.

Unlike most long term care insurance plans, the FLTCIP also provides certain care coordination services to qualified relatives of enrollees at no cost. This can be invaluable in helping reduce the stress that may develop when a relative needs long term care.

### Other Features of the FLTCIP

*Alternate plan of care:* In certain circumstances, our care coordinators can authorize customized benefits for services that are not specifically covered under the FLTCIP. For example, under an alternate plan of care, we will consider a facility that is not normally covered under the FLTCIP if it meets your needs. The flexibility of an alternate plan of care allows the FLTCIP to provide you with benefits for cost-effective care and the services you want and need.

*Generous informal caregiver provisions:* The FLTCIP covers and approves care provided at home by informal caregivers such as friends, family members, and other non-licensed caregivers. When informal care is provided by non-family members, it is covered for the benefit period you've selected. When informal care is provided by family members, it is covered for up to 500 days of care in your lifetime. Informal caregivers cannot have lived with you at the time you became eligible for benefits, but they can live in your home after you become eligible for benefits.

*Caregiver training:* With the caregiver training benefit, the FLTCIP pays up to seven times the daily benefit amount (with no waiting period) to train a family member or other informal caregiver to care for you.

*International benefits:* Because this program was designed exclusively for the Federal Family, it features international benefits that provide coverage for those who may require care outside the United States.

## LONG TERM CARE

When you receive such services, the FLTCIP pays benefits up to 80% of the benefit amounts shown on your Schedule of Benefits. If your Schedule of Benefits shows that you have an unlimited maximum lifetime benefit, benefits payable for any covered services you receive outside the United States will be limited to 10 years.

*Bed reservations:* If you are in an assisted living facility, nursing home or hospice facility and need to leave that facility for any reason (for example, you need to be hospitalized), the bed reservations feature in your coverage will pay up to 100% of the daily benefit amount for up to 60 days per calendar year to hold your space.

*Respite care:* This benefit provides you with temporary care if your caregiver (such as a family member) needs to take some time off. Respite care is covered up to 30 times the daily benefit amount per calendar year and there is no waiting period requirements.

*No war exclusion:* Unlike coverage under most long term care insurance plans, coverage under the FLTCIP does not have a war exclusion. As a result, benefits may be payable for conditions due to war or acts of war, declared or undeclared, or service in the armed forces or auxiliary units.

*Third-party review of claims:* If we deny your appeal of benefits eligibility or of a claims decision, you may request an independent third-party review. A third-party, mutually agreed to by OPM and Long term Care Partners, will review our evaluation of your medical condition or functional capacity and will provide a final and binding determination within 60 days after we receive your request for appeal.

### FLTCIP Types of Care Covered

Covered Services	Daily Reimbursement Up To:
Nursing home, assisted living facility or hospice facility	100% of your Daily Benefit Amount
Bed reservations	100% of your Daily Benefit Amount benefits limited to 60 days per calendar year
Home care and adult day care	100% of your Daily Benefit Amount
Respite services	100% of your Daily Benefit Amount limited to 30 times your Daily Benefit Amount per calendar year
Formal caregiver services	100% of your Daily Benefit Amount
Informal caregiver services	100% of your Daily Benefit Amount Benefits for informal caregiver services are limited to those individuals who did not normally live in your home at the time you became eligible for benefits. Benefits for care provided by family members are limited to 500 days in your lifetime.
Hospice care at home	100% of your Daily Benefit Amount
Stay-at-home benefit	30 times your Daily Benefit Amount

### FLTCIP Pre-Packaged Plans: Plan A, B, C, D

*Plan A:* Consider this plan if you want protection but are looking for a lower-cost option, if you will be living in an area where long term care costs are low, or if you plan to pay out of pocket for some of the costs of long term care in the future, if needed:

- Daily Benefit Amount: \$150
- Benefit period: two years
- Maximum Lifetime Benefit: \$109,500
- Waiting period: 90 calendar days
- Inflation period: 4% Automatic Compound Inflation Option, 5% Automatic Compound Inflation Option **or** Future Purchase Option

*Plan B:* Consider this plan if you want protection for at least three years, which corresponds to the average length of stay in a nursing home, or if you will be living in an area where long term care costs are low.

- Daily Benefit Amount: \$150
- Benefit period: three years
- Maximum Lifetime Benefit: \$164,250
- Waiting period: 90 calendar days

## LONG TERM CARE

- Inflation protection: 4% Automatic Compound Inflation Option, 5% Automatic Compound Inflation Option **or** Future Purchase Option

*Plan C:* Consider this plan if you want protection for at least three years, which corresponds to the average length of stay in a nursing home, or if you will be living in an area where long term care costs are around the national average.

- Daily Benefit Amount: \$200
- Benefit period: three years
- Maximum Lifetime Benefit: \$219,000
- Waiting period: 90 calendar days
- Inflation protection: 4% Automatic Compound Inflation Option, 5% Automatic Compound Inflation Option **or** Future Purchase Option

*Plan D:* Consider this plan if you will be living in an area where long term care costs are around the national average but you want protection for a longer period of time.

- Daily Benefit Amount: \$1200
- Benefit period: five years
- Maximum Lifetime Benefit: \$365,000
- Waiting period: 90 calendar days
- Inflation protection: 4% Automatic Compound Inflation Option, 5% Automatic Compound Inflation Option **or** Future Purchase Option

### FLTCIP Bi-Weekly Premium Rates

The chart below provides bi-weekly premiums for the pre-packaged plans. Premiums are based on your age when we receive your application. If you are customizing a plan or are over age 99, use our Rate Quote Calculator to get a customized rate quote. Premiums are set with the expectation that they will be sufficient, but they are not guaranteed. Premiums can increase only if you are among a group of enrollees whose premium is determined to be inadequate and both OPM and the insurer agree to the rate change.

Age	Plan A			Plan B			Plan C			Plan D		
	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO
50	\$33.43	\$45.64	\$13.15	\$42.21	\$57.61	\$16.11	\$56.28	\$76.82	\$21.48	\$68.93	\$94.75	\$25.57
51	35.10	47.52	14.01	44.30	59.979	17.20	59.07	79.97	22.94	72.42	98.72	27.31
52	36.85	49.47	14.94	46.50	62.43	18.37	62.00	83.24	24.49	76.08	102.85	29.16
53	38.69	51.51	15.93	48.81	64.99	19.61	65.08	85.65	26.15	79.94	107.15	31.14
54	40.61	56.63	16.98	51.23	67.65	20.94	68.31	90.20	27.92	83.98	111.64	33.25
55	42.64	55.84	18.10	53.77	70.42	22.36	71.70	93.90	29.82	88.24	116.31	35.51
56	44.80	58.19	19.27	56.48	73.36	23.83	75.31	97.82	31.78	92.62	121.07	37.97
57	47.08	60.65	20.51	59.33	76.42	25.40	79.10	101.90	33.87	97.22	126.02	40.59
58	49.47	63.20	21.84	62.32	79.61	27.07	83.09	106.15	36.10	102.05	131.18	43.40
59	61.98	65.87	23.25	65.46	82.94	28.85	87.27	110.58	38.47	107.13	136.55	46.40
60	54.62	68.64	24.76	68.75	86.40	30.75	91.67	115.20	41.00	112.45	142.14	49.61
61	57.84	72.07	26.67	72.74	90.63	33.12	96.98	120.84	44.15	118.95	149.08	53.42
62	61.25	75.68	28.73	76.95	95.07	35.66	102.60	126.76	47.55	125.83	156.36	57.53
63	64.87	79.46	30.95	81.40	99.72	38.40	108.54	132.96	51.20	133.11	164.00	61.95
64	68.69	83.43	33.35	86.12	104.60	41.35	114.83	139.47	55.14	140.81	172.01	66.71
65	72.74	87.60	65.92	91.11	109.72	44.53	121.48	146.30	59.37	148.96	180.41	71.84
66	73.98	88.41	38.82	92.61	110.67	48.15	123.48	147.56	64.19	151.40	181.93	77.68
67	75.24	89.22	41.96	94.14	111.63	52.06	125.52	148.84	69.41	153.89	183.46	84.00
68	76.52	90.03	45.35	95.70	112.59	56.28	127.59	150.13	75.04	156.42	185.01	90.83

## LONG TERM CARE

Age	Plan A			Plan B			Plan C			Plan D		
	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO	4% ACIO	5% ACIO	FPO
69	\$77.83	\$90.86	\$49.01	\$97.28	\$113.57	\$60.85	\$129.70	\$151.42	\$81.147	\$158.98	\$186.57	\$98.21
70	79.15	91.69	52.97	98.88	114.55	65.80	131.84	152.73	87.73	161.59	188.14	106.20
71	87.54	100.56	59.60	109.32	125.57	74.02	145.76	167.43	98.69	178.90	206.51	119.63
72	96.83	110.29	67.06	120.85	137.66	83.26	161.14	183.54	111.01	198.06	226.68	134.75
73	107.10	120.96	75.45	133.61	150.90	93.66	178.14	201.20	140.48	242.76	273.12	170.98
74	118.45	132.66	84.89	147.71	165.42	105.36	196.94	220.57	140.48	242.76	273.12	170.98
75	131.01	145.49	95.51	163.29	181.34	118.52	217.73	241.79	158.02	268.75	299.79	192.60
76	142.70	157.92	105.52	177.78	196.75	130.91	237.04	262.34	174.55	292.76	325.44	212.95
77	155.43	171.42	116.59	193.56	213.47	144.61	258.07	284.63	192.81	318.91	353.28	236.45
78	169.29	186.07	128.1	210.73	231.61	159.73	280.97	308.82	212.97	347.40	383.51	260.32
79	184.40	201.98	142.32	229.42	251.30	176.44	305.90	335.06	235.25	378.43	416.33	287.82
80	200.85	219.24	157.24	249.78	272.65	194.89	333.04	382.57	278.06	433.82	475.62	340.53

## FEDERAL EMPLOYEE HEALTH BENEFITS (FEHB)

### Eligibility

Federal employees are allowed to continue their health benefits coverage after they retire if they meet certain conditions. Generally, to continue FEHB coverage as a retiree, you must retire on an immediate annuity, and you must have been continuously enrolled under the FEHB program (or covered as a family member) for the five years of service immediately preceding your retirement. If less than five years, you must have been continuously enrolled under the FEHB program for all service since your first opportunity to enroll. While you can count your coverage under Tricare toward meeting this requirement, to continue coverage in retirement, you must be enrolled in an FEHB health plan on the date you retire.

Please note that *continuous enrollment* includes separate periods of federal employment interrupted by a break in service, as long as FEHB coverage was in effect at the time of the break and has been continuous since the break, and the combination totals five years.

Employees who separate and are eligible for a deferred annuity cannot begin health insurance coverage when their deferred annuity begins. Employees must retire on an immediate annuity to be eligible to continue their health insurance coverage. For employees retiring under FERS, an immediate annuity includes one based on the minimum retirement age and ten years of service, even though the employee may postpone receipt of that annuity to a later date.

### Premiums

After retirement, the government continues to pay the same contribution that is paid for active employees. The applicable rate of the retiree's share of the premium will be deducted from the monthly retirement annuity check. If the annuity is not enough to cover the health insurance premiums, the premiums can be paid directly to OPM.

Federal employees and retirees, excluding Postal Service employees, pay the same amount for their premiums. However, when postal employees retire, they no longer receive an additional amount toward their cost of health insurance, which requires them, as retirees, to pay the same as all other federal workers and retirees.

### Family Coverage

Retirees who are enrolled for self and family can have family members continue coverage until such time as they become ineligible. For example, this would apply when a child reaches the age of 22, or marries. However, the widow(er) of a federal retiree who did not elect a survivor benefit is not eligible for FEHB insurance after the retiree's death. A deceased employee must have been enrolled for self and family at the time of death. All survivors who meet the definition of "family member" continue their health benefits coverage under the enrollment as long as any one of them is entitled to a survivor annuity.

## NOTES



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