



Benefits at Retirement, Resignation, and Involuntary Separation

February 18, 2025

Foreign Service retirement benefits are set by law and can only be amended by Congress.

AFSA expects the foreign affairs agencies to comply with these laws. If they fail to do so, AFSA is prepared to seek legal recourse through all appropriate channels.

When can I retire?

- **Voluntary**
 - at least age 50 with at least 20 years of service, or
 - at or after Minimum Retirement Age with at least 10 years service, or
 - (57 if born in 1970 or later, 56 + 10 months if born in 1969, 56 + 8 if born in 1968, 56 + 6 if born in 1967)
 - at age 62 with at least 5 years of service
- **Involuntary - TIC/TIS**
 - FS-1 or above – any age
 - FS-2 or below – if meet age and service requirement for voluntary annuity, or at any age with 25 years of service
(under the 3 FAM 6213.6 Annuity Exception, State FS members under age 50 are kept on active duty to age 50)
- **Involuntary - RIF**
 - FS-1s or above – any age
 - FS-2s or below – if meet age and service requirement for voluntary annuity, or at any age with 25 years of service
(if not, then receive a severance pay equal to one month's salary at current salary rate for each year of service not to exceed one year's salary)

When can I retire? (continued)

- **Involuntary - Misconduct**
 - if meet age and service requirements for voluntary retirement (if not, then receive a severance pay equal to one month's salary at current salary rate for each year of service not to exceed one year's salary)
 - separations for cause, other than if convicted of a felony, have a statutory right to a hearing before the FSGB
- **Involuntary - Relative Performance**
 - FS-1 or above – any age if have 5 years service
 - FS-2 or below – if meet age and service requirement for voluntary annuity, or at any age with 25 years of service (if not, then receive a severance pay equal to one month's salary at current salary rate for each year of service not to exceed one year's salary)
- **Involuntary - Ambassadors**
 - any age, if not reassigned to the Foreign Service within 90 days of termination of ambassadorial appointment

When can I retire? (continued)

- **Mandatory**
 - age 65 with at least 5 years of service
- **Disability**
 - if meet medical requirements
- **Deferred – at least 10 years of service**
 - leave prior to qualifying for immediate voluntary retirement and keep retirement contributions deposited in FSPS pension fund
 - pension starts at MRA (FEHB and FEGLI coverage do not restart)
- **Deferred – 5 to 9 years of service**
 - leave prior to qualifying for immediate voluntary retirement and keep retirement contributions deposited in FSPS pension fund
 - pension starts at age 62 (FEHB and FEGLI coverage do not restart)

When can I retire? (continued)

- **Postponed Annuity**

- A FS member who is eligible for an MRA + 10 annuity who is under age 62 may elect to postpone annuity receipt to reduce or eliminate the MRA + 10 age penalty which reduces the annuity by 5 percent for each year under age 62
- Then, closer to or at age 62, applies for a postponed annuity with a lower or no age penalty
- Loses FEHB and FEGLI coverages at resignation, but those coverages are reinstated when the postponed annuity commences

What do I get at retirement?

- **If at least age 50 with at least 20 years: 1.7% of high-three average salary times 20 years, plus 1% of high-three salary for years beyond 20**
 - **Example with 30 years at \$150,000 salary**
 $(.017 \times \$150,000 \times 20) + (.01 \times \$150,000 \times 10) = \$66,000$ pension per year (before reduction for survivor benefits, health and life insurance premiums, and federal and state tax withholding)
 - **Note: Salary = Base pay + domestic locality pay or virtual locality pay for overseas employees. Excludes hardship pay.**
- **Less than 20 years at age 62 or older (but before 65th birthday)**
 - **1% of high-three salary times years of service**

What do I get at retirement? (continued)

- **Less than 20 years retiring on the last day of the month reaching age 65**
 - 1.7% of high-three salary times years of service
- **MRA with 10 to 19 years**
 - 1% of high-three times years of service but then reduced by 5/12 of 1 percent for each month under age 62 (may postpone annuity receipt to reduce or avoid reduction) (no annuity supplement)
- **Deferred with 10 to 19 years who separated before reaching MRA**
 - 1 % of high-three times years of service (age penalty if under age 62, no annuity supplement, no COLA before age 62)
- **Deferred with 20 but less than 25 years who separated before age 50**
 - 1 % of high-three times years of service (no age penalty if under age 62, no annuity supplement, no COLA before age 62)

What do I get at retirement? (continued)

- **Disability: consult official guidance for complicated rules**
- **Annuity supplement: all employees retiring under an immediate annuity prior to age 62 (except MRA+10 and disability) receive a supplement approximating the Social Security benefit earned during FSPS service. It terminates at age 62 whether or not the retiree immediately applies for Social Security benefits.**

What do I get at retirement? (continued)

- **Annuity: monthly pension payment for life (retiree then any survivor)**
- **Annuity supplement: monthly payment until age 62 (not for MRA+10, deferred, or disability retirement)**
- **Cash: lump-sum payment for unused annual leave**
- **Social Security: monthly payment for life starting at or after age 62**
- **TSP: you decide when and how much to withdraw**
- **FEHB health insurance: lifetime coverage (not for deferred retirement)**
- **FEGLI life insurance (not for deferred retirement)**

What if I resign *before* I qualify for immediate retirement?

- Lose entitlement to a monthly pension for life (exceptions: deferred annuity or federal re-employment); get pension contributions refunded
- Lose health insurance (after a transition period) and life insurance
- Keep TSP account containing what you contributed plus, if you have at least three years in the TSP, the 1 percent automatic contribution by your agency
- Keep the Social Security credit you earned while in Foreign Service

Notes

- **Service credit accrues while on paid admin leave**
- **Up to 6 months per year on LWOP add to service credit**
- **Unused sick leave does not add to service credit to qualify for retirement, but increases annuity after retirement eligibility reached**
- **All retirement categories require at least 5 years in the Foreign Service (excludes disability retirement)**
- **This document applies to FSPS employees. If any FSRDS participants remain on active duty, contact AFSA with questions about your plan**
- **Much more information on Foreign Service retirement benefits is on the AFSA website under “Retirement Services”**

Notes (continued)

- **Congress can change retirement benefits effective on specific dates set in legislation. AFSA would provide members information about changes with as much notice as possible, ideally allowing those with the option to retire to do so before any new annuity calculation rules took effect**
- **Employees (all foreign affairs agencies) considering retiring within six months may contact State's Office of Retirement at HRSC@state.gov to meet with a retirement counselor to review rules for retirement eligibility and the applicable annuity calculation formula**
- **AFSA membership does not automatically continue after retirement because dues deductions from salary stop. Members must rejoin. Dues may be deducted from annuity or paid annually by check or credit card. Details are on the AFSA website.**