



Deferred Resignation Program Specific Considerations

February 5, 2025

RESIGNATION ≠ RETIREMENT

The Deferred Resignation Program
is still resigning...
aka “leaving government”
aka quitting

For more information on when you’re eligible to retire, please refer to the latest presentation on the www.afsa.org [Retirement Resources](#) page.

So what?

By resigning, you lose your lifetime federal employee health benefits (FEHB)

Resignation

Your health benefits will continue for 31 days following your resignation ... but that's it.

You can opt in to a temporary continuation of coverage (TCC) for up to 18 months from your separation date, but you'd pay both your current contribution + your agency contribution amount + 2 percent admin fee.

Retirement

You keep your FEHB and continue to pay the same portion of your FEHB plan costs (provided you've been enrolled for the 5 years preceding retirement). This means (in present terms) the USG continues to pay ~70% of your healthcare premium for life.

FEHB is one of the most valuable retirement benefits for federal employees.

RIF

Just like resignation, unless you are eligible for immediate retirement benefits (see [3 FAM 6141.2](#)).

What else do you lose?

By resigning, you also lose dental and vision benefits

Resignation

No extensions. No temporary coverage. Dental and vision end on your separation date.

Retirement

Existing dental and vision care continues into retirement (even if you haven't been in the program for 5 years).

RIF

Just like resignation, unless you are eligible for immediate retirement benefits (see 3 FAM 6141.2).

What else do you lose?

By resigning, you also lose your federal flexible spending account (aka FSAFeds)

Resignation

Coverage ends when you resign.

Retirement

Coverage ends when you retire.
Annuitants are not eligible for FSAFeds.

RIF

Coverage ends when you are RIF'd.

What else do you lose?

By resigning, you also lose FEGLI life insurance

Resignation

You get a free 31-day extension and then you have the option to convert to a different to a commercial life insurance plan.

Retirement

FEGLI can be continued into retirement if you have held FEGLI for the five years preceding retirement.

RIF

Just like resignation, unless you are eligible for immediate retirement benefits (see 3 FAM 6141.2).

And what about a pension?

By resigning, you also lose your monthly pension

Resignation

At resignation, you could either have the full amount of your annuity contributions refunded in a lump sum (with interest)

or

you could get a “deferred annuity” starting around age 57 with at least 10 yrs of service *or* at age 62 with 5 to 9 yrs of service.

(please see AFSA’s Feb 4 Presentation for more details)

Retirement

If you are eligible for retirement (including VERA), you would receive your full pension benefit for life as well as an annuity supplement until age 62.

(please see AFSA’s Feb 4 Presentation for more details)

RIF

If FO-02 or below and not eligible for immediate retirement, then you would receive a severance payment + resignation provisions.

If FO-01 or above, then full pension benefit immediately, even if <50 yrs of age and/or <20 yrs of service.

(please see AFSA’s Feb 4 Presentation for more details)



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.