Foreign Service Frequently Asked Questions

Address and Banking Information

Can the Department send my annuity check to an account in a bank outside the United States? I plan to reside abroad after I retire.

The RM's Retirement Accounts Division's computer system (FARADS) is not set up to make payments to foreign banks via electronic funds transfer, nor are they authorized to issue annuity payments in foreign currencies.

RAD can mail paper check to a foreign bank, but there are several disadvantages. There could be a considerable delay before the funds are credited to your account. It is also difficult to recover checks that are stolen from the mail. A check cannot be reissued until a claim has been made for the check and a status report is received from the Department of the Treasury. It can take four to six weeks to complete an inquiry.

If you decide you would prefer that your annuity payments be made via check rather than EFT, please provide the name of the bank, account number, telephone number and address of the bank where the funds are to be deposited. RAD would need to have your request no later than the 10th of the month in order to ensure timely processing of payment for the following month. Please send any additional questions to the Retirement Accounts Division at PayHelp@state.gov.

Whom should FS retirees notify of changes in address?

Shortly after your annuity commences, you will be sent a personal identification number (PIN) by the Office of Personnel Management (OPM); this PIN will allow you to change your address, access your annuity statements and other data online.

To log onto Annuitant Express go to www.employeeexpress.gov Enter you Social Security number as your user ID, then the pin you received from OPM. [You can change your PIN to a password the first time you log on. Remember, this PIN is not the same one you used to access your pay statements while you were (or are) employed.] When you are asked to identify your agency, you should select "Foreign Service annuitants."

You should also record your change of address with the Retirement Accounts Division at PayHelp@state.gov. In the event you lose your PIN, the address you provide on the "Lost or Forgot PIN" page on Employee Express has to match the address the Retirement Accounts Division has in their system. If your address is current, a new PIN will be mailed to you from OPM.

Where do I send a request for change of address for a Department of State Civil Service annuitant?

You may log onto www.servicesonline.opm.gov which is supported by the Office of Personnel Management. To log on, you will need your CSA number and a personal identification number (PIN) provided by OPM when you retire. See log in instructions on the OPM website. In addition to address changes, you can view your annuity statement, request a duplicate 1099-R, change your Federal and State withholding taxes, change other allotments, including to your checking and savings accounts, change your banking arrangements, change your PIN and purchase savings bonds.

Customer support is available from 7:30 a.m. to 7:45 pm EST by calling 1-888-767-6738.

How can I make changes in withholdings, allotments, direct deposit, mailing address, etc., related to my pension account? I am a FS retiree.

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Annuity Computation

I entered the Foreign Service late in my career and will not be able to complete 20 years of service before reaching the mandatory retirement age of 65. Will I still qualify for an annuity? I am under FSPS.

Late entrants into the Foreign Service can certainly qualify for a small annuity, even without 20 years of service. [See also the information on age and length of service requirements for FSPS annuities under Comprehensive Retirement Information on EBIS and www.RNet.state.gov

Minimum length of service is five years. - Under FSPS, an employee would need a minimum of five years of service to qualify for an annuity at age 62. If an employee separates from the Foreign Service before reaching age 62, he or she could defer commencement of an annuity but could not continue to participate in the Federal Employees Health Benefits program.

You may also qualify for an annuity with ten years of service depending on your age. An FSPS employee with a minimum of ten years of service could retire upon reaching his or her minimum retirement age (MRA). The MRA depends on the year of birth, (see age and length of service requirements.) Retirement under MRA+10 is subject to on age reduction if the retiree has not reached the age of 62.

Maximize your annuity by remaining in the Foreign Service until you reach age 65. In order to maximize your annuity if you are not able to serve 20 years before reaching the mandatory retirement age of 65, you should plan to retire on the last day of the month in which you turn 65. If you have less than 20 years of service under FSPS, your annuity will be computed using a factor of 1 percent for each year of service, not/repeat not 1.7 percent per year of service, UNLESS you retire mandatorily for age.

Does my actual FSPS retirement annuity calculation include a) the Annuity Supplement, b) my TSP and c) my Social Security?

The retirement annuity calculation includes your annuity supplement (if under age 62). It does not include TSP or Social Security. Annuitants who retire at their minimum retirement age (MRA) with ten years of service do not receive an annuity supplement.

How can I approximate the amount of my annuity?

The formula to compute an employee's basic retirement annuity is based on the employee's time of service credit and the employee's "high-three average salary" (the employee's average annual salary during the highest paid 36 months of federal service). You can estimate your annuity yourself based on your high-three average salary and your projected length of service. For more information, please click on the "My Benefits" icon in EBIS (State Department only). Employees of other agencies should contact their agency HR Officer.

How do I know which retirement system I'm in?

Your retirement plan is identified on any "Notification of Personnel Action" (SF 50) that pertains to your appointment. See box 30, "retirement plan." If it says FICA, you are only contributing to Social Security. If it lists one of the acronyms for your retirement plan, CSRS or FERS for Civil Service, or FSPS or FSRDS for Foreign Service, you are contributing to that plan.

In a few cases, notably older SF 50s, you may see a retirement code listed instead of the acronym for your retirement plan. For example:

1 = CSRS (abbreviated as CS)
2 = FICA
3 = FSRDS (abbreviated as FS)
4 = no retirement
5 = DC Police and Firefighters Retirement System
6 = law enforcement.
C = CSRS Offset/FICA
D = FSPS Law Enforcement/FICA
E = CSRS Law Enforcement/Offset/FICA
G = FSRDS Offset/FICA
H = FSRDS Law Enforcement Offset
K = FERS/FICA
M = FERS Law Enforcement/FICA
P = FSPS/FICA
R = Full CSRS and FICA
W = full FSRDS and FICA

How is my high-three basic salary calculated?

Your high three basic salary is calculated by weighting each salary by the number of calendar days it was in effect to yield the total earnings during the high-three period. You must deduct periods of LWOP of six months or more from the computation. Divide the earnings by three to yield the high three average salary. As explained in other questions, allowances or differentials do not count. Virtual locality pay for overseas career FS employees counts. Law Enforcement Availability counts for DS agents.

What deductions are taken out of an annuity payment? I need to know what my net annuity will be.

The following are deducted from your monthly Foreign Service annuity check:

- Federal taxes
- State taxes (if elected)
- Health insurance (if eligible)
- Life insurance (if elected)
- Long Term Care Insurance (if elected)
- AFSA dues (if chosen)
- Dental and vision insurance (FEDVIP), if chosen

The following, which were deducted from your bi-weekly employee pay, are not deducted from your monthly annuity check:

- Retirement contributions
- Medicare (1.45%)
- TSP (regular and Over-50 Catch-up)
- Combined Federal Campaign contributions
- Immediate Benefit Plan

I will turn 62 this year. What happens to my FSPS annuity supplement and what do I do about Social Security?

If you are currently receiving the FSPS Annuity Supplement, it will end automatically the month preceding the month in which you turn age 62. To begin receiving Social Security benefits, you must apply for them through the Social Security Administration (see www.ssa.gov).

If I exceeded the earnings ceiling last year and again this year, do I still have to report my earnings? The supplement was suspended in both years.

Yes. We are required to document the financial basis for our decisions. In addition, the DS 5026 also requests personal information such as your e-mail address and telephone number. By completing this form we would be able to update your information if needed.

If I have to retire at the end of September, should I retire on September 29 or 30?

Most employees retire at the end of September or at the end of December. Those who are retiring involuntarily either due to mandatory retirement age, performance or time-in-class usually must retire involuntarily on September 30. Their annuity would start October 1 and the first annuity payment would be made on November 1.

However, you may elect to retire unvoluntarily on September 29 with an immediate annuity that starts on September 30th. That allows you one additional month of credit toward the cost of living adjustment (COLA) that will accrue over the entire life of their annuity.

The annual cost of living adjustment is based on the rise in the Consumer Price Index for twelve months preceding September 30. When the first COLA after an annuity begins is made on December 1, it is prorated based the number of months in which the annuity was payable prior to December 1. In this case, they would get credit for three months rather than two because their annuity started September 30.

If you assume that the annual COLA is 3.6%, or .3% per month and your annuity is $5,000 per month, retiring on September 29 would yield a long term gain of $15.00 per month or $180.00 per year. This would be more advantageous than retiring on September 30. You would gain one additional day of full salary worth $400 but you would lose one day of your annuity worth $166 (for a net, one-time gain of $234.00). Spread over a 20 year period, the impact of one additional month in annuity status would be worth $3600, plus interest, due to the cost of living adjustment.

If I retire under MRA + 10 retirement, when would my annuity commence?

The reduced annuity can begin right away if you retire at the MRA, or your unreduced annuity can begin at 62. For example, if you retire at 58, your annuity would be reduced by 20%. If you resign at 58, and draw your annuity at 62, it would be paid without reduction. If you retire under MRA +10 provisions, you would not be eligible for an FSPS Annuity Supplement. Also, your annuity will not be increased by annual cost of living adjustments until you turn 62.

If my annuity supplement was suspended last year due to excess earnings, how do I get it started again if I now meet the earnings test?

To restart payment of your supplement, please complete DS 5026, Statement of Entitlement to Annuity Supplement and forward it to HR/RET by January 8. Once that form is received, HR/RET will restart the supplement retroactive to January 1. Form DS-5026 is included in the Annuitant Newsletter sent to each retiree by HR/RET every November.

May a period of separation from service which totals 3 calendar days or less be included in the 3 years over which the high-3 average salary is determined?

Yes. The pay rate used during this period of separation is the pay rate in effect on the day before the date of separation.

May military pay be used in determining the high-3 average salary?

No. However, if the military service interrupts civilian service and the employee excercises his or her reemployment or restoration rights after leaving the military, the period of separation may be used to compute the high-3 average salary (civilian pay rates are used).

May time spent in a LWOP status be used to compute the high-3 average salary?

If the employee is in a LWOP status 6 months or less in a calendar year, the period of LWOP may be used to compute the high-3 average salary. The pay rate used during this period is the rate of pay in effect on the last day in a pay status, increased for any intervening pay adjustments that occurred over the LWOP period. LWOP in excess of 6 months in a calendar year may not be used to compute the high-3 average salary.

Must the 3 years over which the high-3 average salary is computed be continuous years?

No. The 3 years need not be continuous, but they must consist of consecutive periods of service. Thus, two or more separate periods of employment which follow each other may be joined to make up the 3 consecutive years of service over which the high-3 average salary is computed.

Must the high-3 average salary be computed using three calendar years?

No. The 3-year period used need not start on January 1. It must start and end on whichever dates will give the highest 3 years of basic pay. Because an employee's pay tends to increase the longer he or she works, the high-3 average salary usually occurs during the last 3 years of service. However, any other 3-year period may be used if it will produce a higher average salary.

Should I make a redeposit of CSRS or FSRDS retirement deductions for which I received a refund of retirement deductions?

If the period for which the refund was paid ends on or before September 30, 1990, the best advice is to not pay the refund because you still get credit for the service without the redeposit. In this case, your annuity would be reduced by an actuarial factor. For example, if you owed $21,000, at age 55, there would be a reduction of about $96.00 a month from your annuity. If the period for which the refund was paid ends after 9/30/90, you should make the redeposit because if you do not do so, you would lose credit for the service in your annuity.

What is the Physician's Comparability Allowance (PCA) and how can it affect my annuity?

The Physician's Comparability Allowance was designed to allow the agencies and departments to offer service allowances to certain categories of Federal Government doctors and dentists in order to alleviate recruitment and retention problems.

Depending upon your retirement date and years of service as a government physician, a portion of the Physician's Comparability Allowance can be treated as basic pay for purposes of an annuity computation, thus increasing your annuity.

The percentage of the PCA which will be treated as basic pay for purposes of an annuity computation under FSRDS, FSRDS Offset or FSPS based on service of a participant with 15 years of service as a Federal government physician is as follows:

- Employees retiring on or after 12/28/02, with at least two years of service as a government physician on and after 12/28/00: 25%
- Employees retiring on or after 12/28/04, with at least four years of service as a government physician on and after 12/28/00: 50%
- Employees retiring on or after 12/28/06, with at least six years of service as a government physician on and after 12/28/00: 75%
- Employees retiring on or after 12/28/08, with at least eight years of service as a government physician on and after 12/28/00: 100%

The PCA will be considered part of basic pay for purposes of the salary at retirement, under Section 824 of the Foreign Service Act, and lump sum payments of annual leave to the extent described above.

The PCA, however, will not be considered part of basic pay for purposes of Federal Employees Group Life Insurance under any circumstances.

When I reach age 65 and have to retire mandatorily, what is the best date to retire if I have less than 20 years of service?

If you must retire mandatorily because you have reached age 65, and you do not have 20 years of service, the rate at which your pension is calculated will be as of the date you retire. If you retire on the last day of the month in which you turn 65, your pension will be calculated at the rate of 1.7 percent for each year of service. If you retire earlier, even if you retire in the same month, your annuity will be calculated at a rate of 1 percent for each year of service.

To maximize your pension under FSPS when you have less than 20 years of service, you should wait to retire until the last day of the month in which you turn 65.

Can I get extra credit toward retirement for my service at an unhealthful post?

Yes, but you must meet two conditions, and they must be properly documented by the post where you served. You must have been assigned to an unhealthful post prior to February 16, 1990, and you must have elected to receive extra credit toward retirement instead of receiving the post differential. This applies to any American Foreign Service employee who received either a new assignment or an extension of a new assignment that was effective on or after February 16, 1990.

Does my retirement plan, FSRDS or FSPS, have any bearing on eligibility for this extra service credit?

Yes, employees covered by FSRDS who elected to receive extra service credit must have ensured that their post certified and submitted OF -140, Election to Receive Extra Service Credit in Lieu of Post Differential, to the Office of Retirement, HR/RET. No extra service credit can be allowed if this form was not submitted.

Employees covered by FSPS were never eligible for extra credit for service at an unhealthful post, but those who transferred from FSRDS to FSPS will receive credit for any valid extra service credit election made while they were covered by FSRDS.

Do I count my unused sick leave in my FSRDS/FSRDS Offset calculation to determine retirement eligibility?

No. Sick leave is not credited in determining whether an employee is eligible to retire. Only Federal service credit counts for eligibility determinations. Sick leave is factored in after eligibility is confirmed.

How can I get maximum credit for my sick leave at retirement?

Whether you get credit toward retirement for unused sick leave depends on whether you are in the "old" retirement system, FSRDS, or the "new" system, FSPS.

- The service of an FSRDS/FSRDS Offset participant who (1) retires on immediate annuity or (2) dies leaving a survivor entitled to survivor annuity is increased by the hours of unused sick leave to the employee's credit in monthly increments.
- Creditable sick leave (calendar years, months and days) is added to the years, months and days of regular service, then the odd days are dropped. For example, if one under FSRDS had 20 years, 6 months and 15 days of regular service and 1 month, 20 days of sick leave, he would receive credit for 20 years, 8 months of service. The (5) odd days would be dropped from the computation.
- A participant in FSPS with an FSRDS component to the annuity receives credit in the FSRDS annuity component for the smaller of (1) the unused sick leave he or she had when he or she switched to FSPS, or (2) the unused sick leave balance at retirement.
- A participant in FSPS who does not have an FSRDS component to his or her annuity receives NO credit for unused sick leave.
- Sick leave does not affect the high three average salary calculation; it is not credited in determining when an employee is eligible to retire. However, unused sick leave may be credited without regard to the 35-year service limitation on FSRDS annuities.

How much is my annuity reduced by an election of survivor benefits?

Survivor annuities are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

- The reduction of the basic annuity for the survivor benefit under FSRDS is 2.5 percent of the first $3600 and 10 percent for any amount in excess of $3600 used as a base for the survivor benefit. Under FSRDS, the maximum survivor benefit is always 55% of the base for the survivor benefit. An election of maximum survivor benefits for the spouse at retirement is automatic, unless (1) that spouse consents to a smaller survivor benefit or no survivor benefit, or (2) the spouse's whereabouts are unknown. Subject to the restrictions above, and below, an FSRDS participant may elect, at retirement, any level of survivor benefits for a spouse or previous spouse. A former spouse or previous spouse may have intervening rights to a survivor annuity, (see 'Divorce/Former Spouse Benefits' or Section 814 or 820 of the Foreign Service Act).
- The reduction of the basic annuity for the survivor benefit under FSPS is 10 percent of the base for the survivor benefit. An election of maximum survivor benefits for the spouse at retirement is automatic, unless (1) that spouse consents to a smaller survivor benefit or no survivor benefit, or (2) the spouse's whereabouts are unknown. Subject to the restrictions above, and below, an FSPS participant may only elect, at retirement, a survivor benefit for a spouse or previous spouse, (1) based on the maximum survivor benefit, 50 percent of the base, for which the reduction is 10 percent or (2) based on the minimum survivor benefit, 25 percent of the base, for which the reduction is 5 percent, or (3) no survivor benefit, unless a survivor annuity is payable in a different amount as provided in Section 861 of the Foreign Service Act. However, a former spouse or previous spouse may have intervening rights to a survivor annuity, as explained in Section 861 or 862 of the Foreign Service Act.

What is the FSPS annuity supplement? And what is the earnings test that can cause one to lose the supplement?

An annuity supplement is a benefit added to the annuity of certain FSPS annuitants that represents the Social Security benefits an employee earned while performing civilian service credited under FSPS. The annuity supplement ends when the annuitant turns 62.

Is my Annuity Supplement reduced due to excess earnings?

The annuity supplement is reduced for excess earnings. This means that the annual annuity supplement is reduced by $1.00 for every $2.00 in post-retirement earned income (from any source-government or non-government, WAE, contract, etc.) of the annuitant (not counting pensions or investment income) over the annual earnings limit ($14,160 in 2009).

HR/RET will request that you submit Form DS-5026 on your earnings by January 8 every year to avoid overpayment of the annuity supplement. The information you submit establishes whether you are still eligible for an annuity supplement based on earned income. If we determine that your supplement must be reduced or terminated, any erroneous annuity supplement paid for the period after December 31 of the previous year must be repaid. Form DS-5026 is contained in HR/RET's Annuitant Newsletter, sent to retirees each November or on the website: www.Rnet.state.gov.

What is the maximum annuity under FSRDS? What is the maximum annuity under FSPS?

The maximum annuity under FSRDS and FSRDS Offset is 70% of your high three average salary, plus the annuity attributable to unused sick leave. If you work beyond 35 years, you receive a refund of your retirement deductions that were withheld after you acquired 35 years of service, plus interest. If you are under FSRDS law enforcement, the maximum annuity is based on 80% of your high-three average salary, plus the annuity attributable to unused sick leave, which you would reach after 35 years of service, including 20 years of law enforcement service.

There is no ceiling on annuity benefits under FSPS. However, if you worked at least 35 years under FSRDS and subsequently switched to FSPS, the cap on your FSRDS component to your FSPS annuity would be 70% (80% law enforcement), plus the annuity attributable to unused sick leave. In that instance, you would receive a refund of retirement deductions beginning with 35 years of service and ending on the date you switched to FSPS.

What is Virtual Locality Pay?

The FY 2002-2003 State Department Authorization Act included a provision that allows Foreign Service employees assigned abroad who participate in the Foreign Service Retirement and Disability System (FSRDS) or the Foreign Service Pension System (FSPS) to have their annuity benefits calculated as though they received Washington, DC-based locality pay in the computation of their high-three average salary. This provision is not retroactive. It only applies to salary/service on or after December 29, 2002.

Virtual locality pay is NOT included in calculating (1) Lump Sum Payments of Annual Leave, (2) Federal Employees Group Life Insurance Benefits or (3) the Salary at Retirement, for purposes of computing the salary/annuity limitation in Section 824 of the Foreign Service Act of 1980, as amended. These benefits are based on the actual salary at retirement.

What types of pay are considered in the calculation of the "high-three salary"? Is danger pay considered?

Danger pay is not included in calculation of the "high-three average salary." The salary figure in the "high-three average salary" refers to basic pay, including Law Enforcement availability pay. It also includes locality pay for anyone assigned to the United States who receives it. Also, it includes virtual locality pay, effective 12/29/02, if under FSRDS/FSPS and assigned overseas but not actually receiving locality pay. The high-3 salary excludes allowances and differentials, awards, bonuses, and information technology incentive pay. It includes a certain percentage of the Physicians Comparability Allowance (PCA), $30,000, for certain government physicians retiring after 12/28/02 with at least 15 years as a government physician.

Children

Are survivor annuity benefits payable to surviving children?

Survivor annuity benefits are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

If an FSRDS annuitant dies after retirement, or an FSRDS participant dies in service with at least 18 months of creditable civilian service and is survived by a child (see definition in 3 FAM 6113), such unmarried child is entitled to a survivor annuity [Section 806(c) and (d) of the Foreign Service Act]. Benefits to the unmarried child terminate at age 18, or, if in school, at the end of the school year in which the child reaches 22, unless disabled and incapable of self support (3 FAM 6113).

If the FSRDS annuitant or participant is survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable under Section 806 to each eligible child (maximum 3 children) is $480.00.

If the FSRDS annuitant or participant is NOT survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable under to each eligible child (maximum 3 children) is $576.00 (Section 806).

If an FSPS annuitant dies after retirement, or an FSPS participant dies in service with at least 18 months of creditable civilian service, and is survived by a child (see definition in 3 FAM 6113), such unmarried child is entitled to a survivor annuity computed under 5 USC 8443. Benefits to the unmarried child terminate at age 18, or, if in school, at the end of the school year in which the child reaches 22, unless disabled and incapable of self support.

If the FSPS annuitant or participant is survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $480.00. This annuity is reduced by the total amount of survivor social security benefits payable to any surviving child or children of the participant, regardless of whether they qualify for a survivor annuity, divided by the number of children.

If the FSPS annuitant or participant is NOT survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $576.00. This annuity is reduced by the total amount of survivor social security benefits payable to any surviving child or children of the participant, regardless of whether they qualify for a survivor annuity, divided by the number of children.

Choosing the Best Date to Retire

I am planning to retire soon. What factors should I consider in choosing my retirement date?

There are several factors to take into consideration in choosing the optimal retirement date. You should consider how to maximize your annuity and your lump-sum payment for unused annual leave. Most employees also prefer to avoid any gaps between when their salary ends and when their annuity begins. Here are several pointers, some of which are taken from "A Great Day to Retire" written by Tammy Flanagan which appeared on www.GovExec.com (link) February 3, 2006. Considerations unique to Foreign Service retirement plans have been incorporated. You may not be able to optimize all considerations, but this should help you evaluate the trade-offs.

Choose a retirement date at the end of a month.

Voluntary retirement benefits start to accrue on the first day of the month following your effective date of retirement. If you choose a date in the middle of the month, rather than the last day of the month, regardless of whether you are covered by FSRDS or FSPS, your annuity will start the first day of the following month. If you retire in the middle of the month there will be a period that is not covered by your salary before your annuity starts. If you retire at the end of the month, your annuity will start the following day, you will receive your last salary payment two weeks later, and your first annuity payment will arrive on the first day of the following month.

Retire at the end of a leave period to earn annual and sick leave for your last pay period.

Unused annual leave hours are reimbursed in a lump sum payment when you separate or retire from Federal service. If you retire on the last day of the month and it falls before the end of the pay period you will not earn annual leave (or sick leave) for that period. You should choose to retire on the last day of the pay period, if you have that option.

Your choices depend on whether you are covered by one of the old Federal retirement systems rather than one of the new systems. Under the old retirement system, FSRDS, employees can retire on the first, second or third day of the month and still be entitled to benefits beginning the day after they leave government service. Under the new retirement system, FSPS, you must retire on the last day of the month for your annuity to start the following day.

Under FSPS you do not get credit toward retirement for unused sick leave as you do under FSRDS. You do not get credit for unused home leave under either FSRDS or FSPS. Use it or lose it in either of these situations. However, you should not plan to use a big chunk of sick leave immediately prior to retirement. The usual conditions apply, i.e. you must either be sick or caring for a family member who is sick.

Retire at the end of the year to get the maximum amount of unused annual leave.
You can maximize the lump-sum payment for unused annual leave if you retire at the end of the year, even if you have accumulated annual leave in excess of your ceiling. Employees with more than 15 years of service accumulate 208 hours of annual leave each year. Employees must use this leave to avoid losing it when they hit the carryover limit except the year they retire. Retiring at the end of the year also means your lump sum payment will be calculated at a higher rate. Payment for unused annual leave is calculated at the prevailing salary rate. Each pay period is considered to be 80 hours, with no holidays. If your leave balance is sufficient to continue beyond the date the annual cost of living adjustment goes into effect in January, payment for the balance of your unused annual leave will be calculated at the higher rate of pay, even if you retired before your salary was adjusted.

If you retire at the end of the calendar year, or in the spring, you may be able to take advantage of certain tax breaks.
Taxation of the lump-sum payment for unused annual leave - Your lump-sum payment is taxable earnings as far as the IRS is concerned so if you receive your lump-sum payment for unused annual leave late in the year (usually six to eight weeks after you retire) it could bump you into a higher tax bracket. If you retire at the end of the year and receive your lump-sum payment in the first quarter of the year, you may pay less income tax, at least on the lump-sum payment. Presumably, your earnings will be lower the year after you retire, and you may qualify for a lower tax rate.

Deferral of income tax on contributions to TSP - You will not be taxed on your contributions to the Thrift Savings Program (TSP) until you withdraw your savings from your account so if you contribute the maximum to your TSP account early in the year you can defer taxation on a portion of your income. If you retire in the spring, you could contribute up to the $16,500 limit (in 2009) plus the $5,500 catch-up contribution (if you are 50 or older), even if that amounts to your entire earnings for the year. This could result in a significant reduction of your taxable income! FSPS employees are entitled to the usual agency automatic and matching contributions during this period, i.e. up to five percent of your basic pay per pay period.

See the TSP website, www.TSP.gov, for more information, and your tax accountant for details on your individual situation.

Social Security benefits are subject to an earnings limit depending on your age - If you have reached your full Social Security eligibility age (65 to 67 depending on the year of your birth) you may begin receiving Social Security benefits even if you continue working. If you are under your full Social Security age but at least age 62, an earnings limit applies. Watch out for the Windfall Elimination provision, however, which reduces your Social Security benefits if you are covered by one of the "old" retirement systems, CSRS or FSRDS. See the Social Security Administration website, www.ssa.gov (link).

If you must retire involuntarily (Foreign Service only) by the end of the fiscal year you can increase your cost of living adjustment (COLA) slightly by retiring one day earlier.
Your cost of living increase for the year you retire will be prorated according to the number of months you are in retirement status. If you are in retirement status on the last day of the month, that month will be included in the calculation. If you are to retire involuntarily (for expiration of time-in-class or for performance), you have the choice of retiring on September 29, so your retirement would take effect on September 30, rather than on October 1. Your annuity will be increased by the cost of living adjustment applicable for four months rather

than three. You are not entitled to this option if you retire voluntarily.

If you must retire mandatorily, you should retire on the last day of the month in which you reach age 65.

If you have less than 20 years of service under FSPS, your annuity will be calculated at a rate of 1 percent for each year of service. However, if you retire on the last day of the month in which you turn 65, your annuity will be calculated at a rate of 1.7 percent for each year of service. Selecting the appropriate retirement date could almost double your annuity.

Civil Service Conversions

How would my retirement benefits be affected by converting from Foreign Service to Civil Service?

The short answer is that, usually, you would have to work longer and receive a smaller annuity if you switched to the Civil Service. How much longer and how much lower depends on your retirement coverage. If you are covered by FSRDS, your new coverage would be CSRS. If you are covered by FSRDS Offset, your new coverage would be CSRS Offset. If you are covered by FSPS, your new coverage would be FERS.

Under FSRDS and FSRDS Offset, you can retire at age 50 with 20 years of service or at age 60 with 5 years of service. Under those plans, your annuity would be 2.0% of high three average salary for each year of service. Under CSRS and CSRS Offset, you can retire at age 55 with 30 years of service, at age 60 with 20 years of service and at age 62, with 5 years of service. Under those plans, your annuity would be 1.5% of high three average salary for each of the first 5 years of service, 1.75% of high three average salary for each of the next 5 years of service and 2.0% of high three average salary for each year of service in excess of ten. Thus, you may have to work longer and your overall annuity would be lower by 3.75% of high-3 average salary, the same as losing credit for almost two years of service.

There may be additional drawbacks. If you were working overseas, under a limited FS appointment, subject to CSRS or FERS coverage, your average salary would not be based on virtual locality pay, as it would be under FSRDS, FSRDS Offset, or FSPS. You could also lose any extra service credit for unhealthful post service that you may have received under FSRDS or FSRDS Offset.

The only possible benefits to switching are: (1) your annuity might increase under CSRS or CSRS Offset if you have 5 years of congressional service or (2) if you have more than 35 years of service. {The cap on FSRDS benefits (except law enforcement FSRDS benefits) is 70% of high three average salary, plus sick leave; the cap on CSRS benefits is 80% of high three average salary, plus sick leave.}

Under FSPS, you can retire at age 50 with 20 years of service, at age 62 with five years of service, or at the Minimum Retirement Age (55-57) with ten years of service. If you meet the 50/20 requirements your annuity is 1.7% of high-three average salary for each of the first 20 years of service and 1.0% thereafter. Otherwise, your annuity is 1.0% of high-three average salary for each year of service, and your annuity is reduced by 5% for each year under 62.

Under FERS, you can retire at the MRA with 30 years of service, at age 60 with 20 years of service, at age 62 with 5 years of service, or at the MRA with ten years of service. Under FERS, your annuity is 1.0% of high three average salary for each year of service, unless you retire at 62 with 20 years of service, in which case it is 1.1% of high three average salary for each year of service. The MRA age reduction of 5.0% for each year under 62 applies, unless you have 30 years of service. Thus, your FERS time would usually be computed at the 1.0% rate, unless you are retiring under FERS law enforcement, causing a severe reduction to your annuity.

If you are vested for FSRDS or FSPS retirement, it may benefit you to retire under those plans to lock in your benefits at a higher rate. Contact HR/RET for details.

I am converting from Foreign Service to Civil Service and requesting a transfer of my contributions from the Foreign Service Retirement and Disability Fund to the Civil Service Retirement fund. Will I be taxed on excess contributions refunded to me?

Only the interest in such a refund would be potentially taxable. However, if it is rolled over directly into the Civil Service Retirement Fund, it would not be taxable. You should check with a tax specialist to make sure, since you might receive a notice about the tax liabilability of the refund when the transaction takes place. Interest refunded to you can be rolled over into an IRA (Individual Retirement Account) to avoid being taxed. If you do not get a notice about the your tax liability and rollover options for the interest on your contributions that is sent to the Office of Personnel Management from the Department of State, you should check with a tax expert.

I am planning to join the Foreign Service after 25 years in Civil Service CSRS. What system would I be in if I join the Foreign Services?

Assuming there is no break in service, you will be enrolled in the Foreign Service Retirement and Disability System (FSRDS or old system). You will have the opportunity to choose to convert to the Foreign Service Pension System (FSPS or new system, the Foreign Service version of FERS). Your past CSRS service will be counted toward your Foreign Service pension under either system.

Death Notifications/Claims

What should my family due if I die, or if my spouse dies after I retire?

- Notify the Office of Retirement (HR/RET) immediately of the death of the annuitant: HR/RET Room H-620, SA-1, Department of State, Washington, DC 20522-0108 (Telephone: 202-261-8960, Toll-Free: 866-224-9053, Fax: 202-261-8988). We cannot accept a collect telephone call; if our telephone receptionist is provided with the full name of the deceased annuitant, the name of the caller, and the area code/telephone number, a Retirement Counselor will return the call promptly. Notifying the Office of Retirement immediately of the death of the annuitant enables this office to begin assisting the person(s) entitled to survivor benefits. The letter or telephone notification should include the full name of the deceased annuitant, date of birth, exact date of death, address, social security number, and relationship of the person(s) who may be entitled to survivor benefits. On receipt of this information, the records of the deceased annuitant will be examined and an application will be sent to the person(s) entitled to benefits. Information will be provided on benefits from the Foreign Service Retirement System(s) (FSRDS or FSPS), Federal Employees Group Life Insurance (FEGLI), and the Federal Employees Health Benefits Program (FEHB).
- Return any uncashed annuity checks to the Retirement Accounts Division, if there is no surviving spouse: RAD, Department of State, 1969 Dyess Avenue, Building B, Charleston, SC 29405 (Telephone: 843-308-5273). Any accrued annuity paid to the annuitant on the date of death will be included in the benefits to the otherwise eligible survivor annuitant(s).
- Complete and return the application for death benefits form, which will be sent to the survivor/executor/personal representative as soon as the Office of Retirement learns of the death of the Foreign Service annuitant. The application form must be properly completed and returned to the Office of Retirement (see address above).
- Obtain several certified copies of the annuitant's death certificate and transmit

one to HR/RET with the application for death benefits. Other copies will be required for the FEGLI coverage, each private insurance coverage policy, and any other claims submitted by the survivor/executor/personal representative. The death certificated provides positive proof of the exact date of death. If other evidence is needed, it will be specifically requested. (This may include copies of marriage certificates, birth certificates, divorce decrees, death certificates of deceased children or spouses, court orders for change in name, or other documents which establish identity or relationship.)

Are survivor annuity benefits payable to surviving children?

Survivor annuity benefits are slightly different under the 'old' retirement system, FSRDS, and the 'new' retirement system, FSPS, so you must first know to which system you belong.

If an FSRDS annuitant dies after retirement, or an FSRDS participant dies in service with at least 18 months of creditable civilian service and is survived by a child (see definition in 3 FAM 6113), such unmarried child is entitled to a survivor annuity [Section 806(c) and (d) of the Foreign Service Act]. Benefits to the unmarried child terminate at age 18, or, if in school, at the end of the school year in which the child reaches 22, unless disabled and incapable of self-support [3 FAM 6113].

If the FSRDS annuitant or participant is survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $480.00.

If the FSRDS annuitant or participant is NOT survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $576.00.

If an FSPS annuitant dies after retirement, or an FSPS participant dies in service with at least 18 months of creditable civilian service, and is survived by a child (see definition in 3 FAM 6113), such unmarried child is entitled to a survivor annuity computed under 5 USC 8443. Benefits to the unmarried child terminate at age 18, or, if in school, at the end of the school year in which the child reaches 22, unless disabled and incapable of self support.

If the FSPS annuitant or participant is survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $480.00. This annuity is reduced by the total amount of survivor social security benefits payable to any surviving child or children of the participant, regardless of whether they qualify for a survivor annuity, divided by the number of children.

If the FSPS annuitant or participant is NOT survived by a spouse or former spouse who is the natural or adoptive parent of the child, the current monthly rate payable to each eligible child (maximum 3 children) is $576.00. This annuity is reduced by the total amount of survivor social security benefits payable to any surviving child or children of the participant, regardless of whether they qualify for a survivor annuity, divided by the number of children.

Can I designate someone other than a spouse for a survivor annuity?

Survivor annuities are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

At the time of retirement, an FSRDS unmarried participant, who does not have a former spouse eligible for benefits and who passes a physical examination conducted by the Office of Medical Services, Department of State, may elect a survivor annuity for another person called a 'Designated Beneficiary.' The reduction for this benefit is 10 percent, plus 5 percent for each full

5 years the designated beneficiary is younger than the FSRDS participant, but the total reduction may not exceed 40 percent. The survivor annuity is 55 percent of the base annuity. An election made for such a beneficiary may be converted to a regular survivor annuity election after retirement, if the FSRDS annuitant marries the designated beneficiary.

At the time of retirement, an FSPS unmarried participant, who does not have a former spouse eligible for benefits and who passes a physical examination conducted by the Office of Medical Services, Department of State, may elect a survivor annuity for another person called an "Insurable Interest" (Designated Beneficiary). The reduction for this benefit is 10 percent, plus 5 percent for each full 5 years the person with an insurable interest is younger than the FSPS participant, but the total reduction may not exceed 40 percent. The survivor annuity is 50 percent of the base annuity. An election made for such a beneficiary may be converted to a regular survivor annuity election after retirement, if the FSPS annuitant marries the person with an insurable interest.

If I die after retirement, will my surviving spouse receive a survivor annuity, and if so how much?

Survivor annuities are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

At the time of retirement, an FSRDS participant may elect a survivor annuity for a spouse or previous spouse. The maximum survivor benefit, payable to any surviving spouse and (or) former spouse, is 55 percent of the gross annuity benefit before reduction for survivor benefits (the base). An election of maximum survivor benefits for the spouse at retirement is automatic unless the FSRDS participant (1) obtains the spouse's consent to an election of a lesser amount or to an election of no survivor benefits, or (2) the spouse's whereabouts are unknown.

If an FSRDS annuitant dies after retirement, a survivor annuity is payable to the spouse (married at least nine months, or if the cause of death was accidental), previous spouse, or former spouse, or designated beneficiary, provided a valid election is made, and/or benefits are payable, and further provided said spouse, previous spouse or former spouse has not remarried before age 55.

May I elect or change the amount of a survivor benefit after retirement?

Survivor annuities are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

During the first 30 days of retirement, an FSRDS participant may elect, increase, reduce or eliminate a survivor election described above provided consent is obtained. During the first 18 months of retirement, a married (at retirement) FSRDS annuitant (1) who elected no survivor benefits at retirement, or (2) who elected less than the maximum may increase the survivor benefit. The deposit due under 22 USC 4046(n) must be received, or authorized as a deduction from the annuity (to be completed by the end of the calendar year in which the authorization is made) before the expiration of the 18 month period described above. s

During the first 30 days of retirement, an FSPS participant may elect, increase, reduce or eliminate a survivor election described above provided consent is obtained as explained. During the first 18 months of retirement, a married (at retirement) FSPS annuitant (1) who elected no survivor benefits at retirement, or (2) who elected less than the maximum may increase the survivor benefit. The deposit due under 5 USC 8416 must be received, or authorized as a deduction from annuity (to be completed by the end of the calendar year in which the authorization is made) before the expiration of the 18 month period described above.

What if an employee dies in service? What happens to his or her spouse and/or former spouse? Will he or she be entitled to an annuity?

Death in Service of an Employee Covered by FSRDS - If an employee enrolled in FSRDS dies with at least 18 months of civilian service retirement credit a surviving spouse or former spouse will be entitled to an annuity. The employee must have been married to a surviving spouse for at least nine months (or the cause of death was accidental) or to a former spouse who qualifies for an annuity. The maximum survivor annuity payable to both the spouse and former spouse cannot exceed 55 percent of the annuity that would have been payable if the employee were eligible for retirement benefits at the time of death.

Death in Service of an Employee Covered by FSPS - If an FSPS participant dies in service with at least ten years of retirement credit including 18 months of civilian service retirement credit the surviving spouse (and/or former spouse) will be entitled to an annuity. The spouse must have been married to the employee for at least nine months, or the employee's cause of death must have been accidental. The maximum survivor annuity payable to the spouse and former spouse combined cannot exceed 50 percent of the annuity payable to the employee if s/he had been eligible for voluntary retirement benefits on the date of death.

If an FSPS participant dies in service with at least 18 months of civilian service, the surviving spouse or former spouse will also be entitled to a FSPS Basic Employee Death Benefit. This benefit is either 50 percent of the final basic salary or 50 percent of average pay, if higher, plus $15,000 adjusted for cost of living (COLA).

To be eligible for death benefits the spouse must have been married to the employee for at least nine months or the employee's cause of death must have been accidental. A former spouse must have qualified for an annuity under the usual criteria (unless superceded by a court order or spousal agreement), i.e. minimum ten years of marriage, five years of which were while in the Foreign Service, and no remarriage before reaching age 55.

What happens if my spouse dies or I get divorced and I elected a survivor annuity at retirement?

Under the law, an annuity which is reduced for survivor benefits may be restored to the rate without reduction for survivor benefits if the marriage is terminated by death or divorce, and further provided a former spouse is not entitled to a survivor annuity under Section 814, 820, 861, or 862 of the Foreign Service Act of 1980, as amended. The new rate is effective the first of the month after the one in which the marriage is terminated. The annuity must be recomputed and paid for each full month during which the annuitant is not married, as if the annuity had not been so reduced. In the event of remarriage, there is no reduction unless there is a valid election of survivor benefits for the new spouse. Any recomputation is subject to any reduction required by a spousal agreement or court order to provide benefits for a former spouse.

What should I do about health and life insurance if my marriage ends?

If your marriage ends due to death or divorce, and you are enrolled for health insurance and have no other eligible family members, HR/RET will need a Health Benefits Registration Form, SF 2809, to change your coverage from self and family to self-only. If you are already enrolled for self-only, no change is required. However, because of your change in marital status, you may change to a self-only enrollment in another plan. If you have no health insurance, you may not enroll because of the general regulation that prohibits retirees from joining the Federal Health Benefits Program.

You may also wish to change your life insurance beneficiary. Complete form SF-2823, Designation of Beneficiary, for your life insurance, and DS-5002, Designation of Beneficiary, for the Foreign Service Retirement System, as appropriate. Please return TWO copies of both forms to HR/RET for certification; the duplicates will then be returned to you.

Please return these forms with a certified copy of the death certificate or divorce decree as appropriate.

What Does 'Restoration to Full' Annuity Mean?

Under the law, an annuity which is reduced for survivor benefits may be restored to the rate without reduction for survivor benefits if the marriage is terminated by death or divorce, and further provided a former spouse is not entitled to a survivor annuity under Section 814, 820, 861, or 862 of the Foreign Service Act of 1980, as amended. The new rate is effective the first of the month after the one in which the marriage is terminated. In the event of remarriage, there is no reduction unless there is a valid election of survivor benefits for the new spouse. Any recomputation is subject to any reduction required by a spousal agreement or court order to provide benefits for a former spouse.

How do I apply for restoration of my full annuity?

In order to apply for a restoration to full annuity benefit, you must complete the forms listed below and return them along with a certified copy of the death certificate or divorce decree as appropriate, to the Office of Retirement.

Forms Needed for Restoration to Full:

- DS-5073 Statement of Eligibility for Restoration to Full Annuity
- SF 2809 (Only if enrolled for Family and Self)
- SF 2823 (If enrolled in FEGLI)
- DS-5002

If I die after resigning from the Foreign Service, but before being eligible for a retirement annuity, will my spouse receive a survivor annuity?

For a participant in FSRDS who dies before becoming eligible for an annuity, a lump-sum benefit consisting of the deceased's unrefunded retirement contributions is payable to his/her beneficiary. For a participant in FSPS who has 10 or more years of Federal service and dies after separation, but before being eligible for an annuity, a survivor benefit is payable if the employee did not take a refund of his/her retirement contributions. If the employee had not reached the MRA when separated, the survivor annuity will begin when the employee would have reached age 62 (age 60 if employee had 20-29 years of service); or, on the employee's MRA if he/she had 30 or more years of service. The annuity can begin sooner if the spouse is a parent of the children. If the employee had attained the MRA when separated (and had at least 10 years of service), the spouse receives ½ of the employee's accrued annuity beginning the day after death.

Disability Retirement

How can I apply for disability retirement?

Your retirement application contains a statement of intent to apply for disability retirement. If you do not initially request it, you may apply within one year post-retirement if it is determined that total disability existed on the date of separation from the Service. The Office of Medical Services must approve your request. You must meet the following additional eligibility requirements:

- FSRDS - Any age with 5 years of civilian service
- FSPS – Any age with 18 months of civilian service

I am about to retire on disability, but I still have some unused sick leave I had been saving for an emergency. Can I use up the balance before I retire?

An employee who is ill or disabled may be granted:

- all current accrued and accumulated sick leave due to the employee;
- any additional sick leave that has accrued while in leave status; and
- leave without pay at the discretion of the appropriate leave-granting official.

If an ill or disabled employee resigns while on leave, the employee's leave-with-pay status shall terminate not later than the end of the payroll period in which the notification is received in the appropriate agency headquarters HR office.

If the employee has been granted sick leave that would extend beyond the end of the payroll period, the employee may be continued on sick leave until the expiration of the approved leave, provided that no advance sick leave may be utilized.

An employee approved for disability by MED has the option to use all accrued sick leave prior to retirement. HR/RET can accept an appropriate form letter signed by the Deputy Assistant Secretary for Human Resources, advising the employee of his/her right to apply for and be granted up to the maximum amount of sick leave to which he/she is entitled. In this case, the effective date of retirement would be the day the sick leave expires.

Is my Foreign Service disability retirement income tax exempt if I was injured in a terrorist attack?

See IRS Publication 3920 which states: "For tax years ending after September 10, 2001, disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies), whether outside or within the United States, are not included in income." This includes Americans involved in previous attacks. Their disability payments are taxable up to and including the period ending on September 10, 2001; but they are not considered income on and after September 11, 2001.

For details, please contact the Special Services Branch of IRS. To view IRS Publication 3920 click on this link: http://www.irs.gov/publications/p3920/index.html.

What benefits does one receive under disability retirement?

- FSRDS Disability Retirement: If you retire on disability under FSRDS, you will receive an annuity which is guaranteed to be at least the lower of (a) 40% of your high-three average salary or (b) your annuity computed under the regular formula, but projecting your service to age 60.
- FSPS Disability Retirement: If you are under 62, but not eligible for regular (50/20) retirement, your annuity during the first year of FSPS Disability retirement is 60% of your high three average salary, less 100% of your social security benefits. During the second year and until age 62, your annuity is 40% of your high three average salary, less 60% of your social security benefits. At age 62, your annuity is recomputed as if you worked until age 62 and your average salary is increased by the FSPS cost-of-living adjustments.

What is the Alternative Form of Annuity (AFA), and who is eligible to receive it?

The AFA is an option in which an eligible employee annuitant receives a lump sum credit of his or her retirement deductions (excluding interest), in addition to the employee's annuity. The employee's annuity (but not the survivor annuity) is reduced by an actuarial value of the lump sum credit, based on Present Value Factors issued by the U.S. Office of Personnel Management (OPM). On average, the annuity of an employee who elects the AFA is reduced by 10 to 15 percent. There is no reduction in the rate of annuity payable to a surviving spouse if the employee annuitant opts for the AFA.

A participant in FSRDS, FSRDS Offset, or FSPS, whose annuity begins on or after October 1, 1994, who meets the following conditions, is eligible to elect the alternative form of annuity (AFA):

- The participant does NOT retire on disability under Section 808 of the Foreign Service Act.
- The participant has a life threatening affliction or other critical medical condition (as determined by the Office of Medical Services, Department of State).
- A married participant has the consent of his spouse (at retirement) to make an election of the AFA.
- The participant does NOT have a former spouse eligible for benefits under Section 814 or 820 of the Foreign Service Act, unless a waiver has been made.

Where can I find more information about worker's compensation?

The most frequently asked questions about the Workers' Compensation Program have been included in an automated response to messages sent to HRWorkersCompensation@state.gov

To review the Department of Labor's reference information, please see Injury Compensation for Federal employees (Publication CA-810) athttp://nt5.scbbs.com/cgi-bin/om_isapi.dll?infobase=agencyhb.nfo&softpage=PL_frame and

Questions and Answers about the Federal Employees Compensation Act (FECA) at http://nt5.scbbs.com/cgi-bin/om_isapi.dll?infobase=q-and-a.nfo&softpage=PL_frame

Divorce/Former Spouse Benefits

Are there any legal precedents or court cases that would be relevant to Foreign Service divorces?

There are six cases that may have relevance to divorce involving a member of the Foreign Service:

- Williams v. Williams - 472 A.2d 896; 1984 D.C. App. LEXIS 337
- Wilkinson v. Wilkinson - 785 F. Supp. 1037; 1992 U.S. Dist. LEXIS 3106
- Nicholson v. Nicholson - 21 Va. App. 231; 463 S.E.2d 334; 1995 Va. App. LEXIS 797
- Wilson v. Collins - 27 Va. App. 411; 499 S.E.2d 560; 1998 Va. App. LEXIS 299
- Allsbury v. Allsbury - 33 Va. App. 385; 533 S.E.2d 639; 2000 Va. App. LEXIS 636
- Angulo v. Gochnauer - 772 A.2d 830; 2001 D.C. App. LEXIS 116

I divorced a member of the Foreign Service who is under the FSRDS/FSPS retirement systems. How do I qualify and apply for Former Spouse benefits?

To qualify for former spouse benefits, you must meet all of the following requirements:

- Marriage to the participant for at least 10 years during the participant's creditable service; and
- 5 of the 10 years of marriage must have been while the participant was a member of the Foreign Service; and
- The former spouse must not have remarried prior to age 55.

The former spouse must submit the following documents to the Department of State, HR/RET, SA-1, Room H-620, Washington, D.C. 20522-0108:

- A recently certified copy of the court order; and
- A statement that the court order has not been amended, superseded, or set aside; and
- The full name, date of birth, Social Security number, and correspondence address for both the employee/retiree and the former spouse.

Since there are specific time limitations to qualify for certain former spouse benefits, it is important to submit the divorce notification promptly. HR/RET also needs to be notified of any subsequent remarriage and/or change in correspondence address.

What benefits do former spouses receive?

If a participant in FSRDS/FSPS becomes divorced on or after 2/15/81, the former spouse may be qualified for benefits, provided that the former spouse was married to the participant for at least 10 years during the participant's federal creditable service, five of which occurred while the participant was a member of the Foreign Service, and if the former spouse has not remarried prior to reaching the age of 55, and if the former spouse has not expressly waived any potential benefits, such as:

- Former spouse pension (share of retiree's annuity).
- Former spouse survivor benefit.
- Court-ordered former spouse apportionment payment.
- Court-ordered survivor benefit.
- Pro rata lump-sum payment.
- Former spouse Federal Employees Health Benefits Enrollment (FEHB).

What is a former spouse pension?

A former spouse pension is a pro rata share of 50 percent of the gross annuity benefit of the participant,

What is a former spouse survivor benefit?

A former spouse survivor benefit is a pro rata share of the maximum survivor benefit (55 percent of the unreduced benefit under FSRDS or 50 percent of the unreduced benefit under FSPS). Note: Pro Rata Share means a share representing the amount which accrued during the duration of the marriage. The formula for determining a pro rata share is as follows: Years of Marriage during Federal Service Divided by Years of Federal Service

As a former spouse, how do I get Health insurance coverage?

A former spouse is qualified for FEHB under the Spouse Equity Act, if the former spouse will be entitled to any share of the participant's annuity or survivor annuity and applies for coverage within 60 days of the divorce, or HR/RET's determination letter, whichever is later.

The former spouse can remain enrolled in FEHB coverage for the rest of his or her life, provided premiums are paid and if the former spouse does not remary before reaching age 55. If the former spouse does not qualify for any of the participant's annuity or survivor annuity, the former spouse can still qualify for FEHB coverage under P.L. 100-654, for a period not exceeding three years.

What if I am not qualified under the Spouse Equity Act?

The valid court order/notarized spousal agreement may specify former spouse benefits such as an apportionment payment or survivor benefit, even if the former spouse is not otherwise qualified for statutory benefits. The court order and/or notarized spousal agreement must be submitted to the Office of Retirement, HR/RET, as soon as possible after the divorce, so that an official determination of benefits may be made. Please consult with HR/RET for any additional information regarding benefits to former spouses.

If a Foreign Service retiree has a former spouse entitled to benefits and is subsequently reappointed to the Foreign Service, how are the benefits to the former spouse affected?

The benefits to the former spouse must still be paid. In general, the benefits to the former spouse are not increased on account of the reemployment, unless that former spouse had been married to the employee during the period of reemployment, or unless a valid court order or spousal agreement directs otherwise.

If I am divorced, do I need to provide any additional documents in order for my retirement to be processed?

Along with your retirement package, you will need to provide the Office of Retirement with a copy of your Divorce Decree and Property Settlement Agreement.

If I marry after I retire, will my spouse be eligible for a survivor annuity?

Survivor annuities are slightly different under the "old" retirement system, FSRDS, and the "new" retirement system, FSPS, so you must first know to which system you belong.

- An FSRDS annuitant may elect a survivor annuity for a spouse acquired after retirement, provided a written election to do so is received by the Department of State within one year of marriage. Restrictions apply if an employee (who was married at retirement) declined to elect the maximum survivor annuity for the spouse at retirement. The reduction for the survivor benefit is effective the first of the month, beginning one year after marriage.

- An FSPS annuitant may elect a survivor annuity for a spouse acquired after retirement, provided a written election to do so, is received by the Department of State within TWO years of marriage. The election and reduction are effective the first day of the second month after the election is received, but not less than nine months after the date of remarriage. A deposit for the survivor election is also required as explained in 5 USC 8418, and it may be paid by actuarial reduction.

What happens if my spouse dies or I get divorced and I elected a Survivor Annuity at retirement?

Under the law, an annuity which is reduced for survivor benefits may be restored to the rate without reduction for survivor benefits if the marriage is terminated by death or divorce, and further provided a former spouse is not entitled to a survivor annuity under Section 814, 820, 861, or 862 of the Foreign Service Act of 1980, as amended. The new rate is effective the first of the month after the one in which the marriage is terminated. The annuity must be recomputed and paid for each full month during which the annuitant is not married, as if the annuity had not been so reduced. In the event of remarriage, there is no reduction unless there is a valid election of survivor benefits for the new spouse. Any recomputation is subject to any reduction required by a spousal agreement or court order to provide benefits for a former spouse.

What does 'restoration to full' annuity mean?

Under the law, an annuity which is reduced for survivor benefits may be restored to the rate without reduction for survivor benefits if the marriage is terminated by death or divorce, and further provided a former spouse is not entitled to a survivor annuity under Section 814, 820, 861, or 862 of the Foreign Service Act of 1980, as amended. The new rate is effective the first of the month after the one in which the marriage is terminated. In the event of remarriage, there is no reduction unless there is a valid election of survivor benefits for the new spouse. Any recomputation is subject to any reduction required by a spousal agreement or court order to provide benefits for a former spouse.

How do I apply for restoration of my full annuity?

In order to apply for a restoration to full annuity benefit, you must complete the forms listed below and return them along with a certified copy of the death certificate or divorce decree as appropriate, to the Office of Retirement.

Forms Needed for Restoration to Full:

- DS-5073 Statement of Eligibility for Restoration to Full Annuity
- DS-5073 Statement of Eligibility SF 2809 (Only if enrolled for Family and Self)
- DS-5073 Statement of Eligibility SF 2823
- DS-5073 Statement of Eligibility DS-5002

What should I do about health and life insurance if my marriage ends?

If your marriage ends due to death or divorce, and you are enrolled for health insurance and have no other eligible family members, HR/RET will need a Health Benefits Registration Form, SF 2809, to change your coverage from self and family to self-only. If you are already enrolled for self-only, no change is required. However, because of your change in marital status, you may change to a self-only enrollment in another plan. If you have no health insurance, you may not enroll because of the general regulation that prohibits retirees from joining the Federal Health Benefits Program.

You may also wish to change your life insurance beneficiary. Complete form SF-2823, Designation of Beneficiary, for your life insurance, and DS-5002, Designation of Beneficiary, for the Foreign Service Retirement System, as appropriate. Please return TWO copies of both forms to HR/RET for certification; the duplicates will then be returned to you. Please return these forms with a certified copy of the death certificate or divorce decree as appropriate.

FEDVIP

What is the Federal Employees Dental and Vision Insurance Program (FEDVIP)? If I sign up, can I continue to participate after I retire?

The Federal Employees Dental and Vision Insurance Program (FEDVIP), which is separate and different from the FEHB Program, was authorized by the Federal Employee Dental and Vision Benefits Enhancement Act of 2004.

The Office of Personnel Management (OPM) has contracted with several insurance carriers to make supplemental dental and vision benefits available to eligible Federal and USPS employees, annuitants, and their eligible family members. For detailed information on various plans, go to the OPM website at www.OPM.gov/insure/dentalvision (link).

What are the FEDVIP Programs?

The following is a brief summary of the features of the dental and vision plans. Before making a final decision to elect such coverage, please read the plan brochures and provider directories thoroughly. All plans are not the same. All benefits are subject to the definitions, limitations, co-payments, annual maximums and exclusions set forth in the individual plan brochures.

Dental Insurance

Dental plans will provide a comprehensive range of services, including the following:

- Class A (Basic) services, which include oral examinations, prophylaxis, diagnostic evaluations, sealants and x-rays.
- Class B (Intermediate) services, which include restorative procedures such as fillings, prefabricated stainless steel crowns, periodontal scaling, tooth extractions, and denture adjustments.
- Class C (Major) services, which include endodontic services such as root canals, periodontal services such as gingivectomy, major restorative services such as crowns, oral surgery, bridges and prosthodontic services such as complete dentures.
- Class D (Orthodontic) services with up to a 24 month waiting period for eligible dependents up to age 19.

Please review the dental plan's benefits material for detailed information on the benefits covered, cost-sharing requirements, and provider directories.

Vision Insurance

Vision plans will provide comprehensive eye examinations and coverage for lenses, frames and contact lenses. Other benefits such as discounts on lasik surgery may also be available. Please review the vision plan's benefits material for detailed information on the benefits covered, cost-sharing requirements, and provider directories.

How can I find out about the dental and vision plans that are available in FEDVIP?

You can find a comparison of the plans available and their premiums on the OPM website at www.opm.gov/insure/dentalvision. This site also provides links to each plan's website where you can view detailed information about benefits and preferred providers. For enrollment or premium questions on dental or vision insurance, please contact benefits at 1-877-888-3337. To enroll in FEDVIP, please visit www.benefeds.com.

How do I enroll in FEDVIP?

You enroll on the Internet at www.BENEFEDS.com. BENEFEDS is a secure enrollment website sponsored by OPM where you enter your name, personal information like address and Social Security Number, the agency you work for (or retirement plan that pays your annuity), and the dental and/or vision plan you select. For those without access to a computer, call 1-877-888-FEDS (1-877-888-3337) (TTY number, 1-877-889-5680).

You cannot enroll in a FEDVIP plan using the Health Benefits Election Form (SF 2809) or through an agency self-service system, such as Employee Express, MyPay, or Employee Personal Page. However, those sites may provide a link to BENEFEDS.

How does FEDVIP coverage work with my FEHB plan's dental or vision coverage?

Some FEHB plans already cover some dental and vision services. Coverage provided under your FEHB plan remains as your primary coverage. FEDVIP coverage pays secondary to that coverage. When you enroll in a dental and/or vision plan on BENEFEDS.com, you will be asked to provide information on your FEHB plan so that your plans can coordinate benefits. Providing your FEHB information may reduce your out-of-pocket costs.

Please Note: Most plans require that you be enrolled in the same dental plan for the 24-month waiting period before accessing orthodontia services. There are no other waiting periods for services. National dental and vision carriers provide overseas coverage. Overseas residents can locate the premium information on the FEDVIP website, plan brochures, or by calling the plan's customer service phone number.

What are the premiums for FEDVIP?

The premiums will vary by plan and by enrollment type (Self, Self Plus One, or Self and Family). There is no government contribution to the premiums. If you are an active employee, your premiums will be taken from your salary on a pre-tax basis when your salary is sufficient to make the premium withholding. If you are an annuitant, premiums will be withheld from your monthly annuity check when your annuity is sufficient. Based on Internal Revenue Code pre-tax premiums are not available to annuitants. For information on each plan's specific premiums, visit www.benefeds.com

What enrollment options are available in FEDVIP?

- Self Only, which covers only the enrolled employee or annuitant;
- Self plus One, which covers the enrolled employee or annuitant plus one eligible family member specified by the enrollee; and
- Self and Family, which covers the enrolled employee or annuitant and all eligible family members.

When can I enroll in FEDVIP?

Eligible employees and annuitants can enroll in a dental and/or vision plan during open seasons. You can enroll, stop coverage, or change your enrollment during annual open seasons, or because of a qualifying life event. New employees will have 60 days from their first eligibility date to enroll.

Which of my family members are eligible for FEDVIP?

Eligible family members include your spouse, unmarried dependent children under age 22, and unmarried dependent children age 22 or over incapable of self-support because of a mental or physical disability that existed before age 22

Who is eligible to enroll in the FEDVIP?

Federal and Postal Service employees eligible for FEHB coverage (whether or not enrolled) and annuitants (regardless of FEHB status) are eligible to enroll in a dental plan and/or a vision plan

Flags

May Ambassadors or other Foreign Service personnel cover their coffins with a U.S. flag? Does the Department provide flags for such funerals?

Funeral arrangements are a personal matter. There is no prohibition on covering a casket with a U.S. flag. This is the choice of the next of kin. The Department does not provide specific flags for such occasions.

2 FAM 155.2-3 (para d) addresses flags used to cover a veteran's casket at a funeral and also use to cover the casket of a U.S. citizen Foreign or Civil Service employee pending completion of arrangements for transportation of the remains.

May current and former chiefs of mission appointed by the President receive an ambassadorial flag and American flag upon their departure of service from the Department?

All current and former, career and non-career, chiefs of mission appointed by the President may receive an ambassadorial flag and American flag upon their departure of service from the Department.

Traditionally, at the request of the individual or the bureau, the Director General of the Foreign Service has presented the flags in an informal ceremony held in the Director General's office, with a small gathering of family and friends. The Director General's office (Room 6218 HST) can accommodate a maximum of twenty (20) people, including the DG, Ambassador and spouse. If more than 20 guests are expected, the individual may want to consider using the Treaty Room. If the Treaty Room is used, all/all arrangements (i.e., reservations, initial set-up and subsequent clean-up, invitations, photographer, podium, table, etc.) are the responsibility of the bureau. To arrange a flag ceremony, please call the Director General's office at 202-647-9898.

The Director General encourages chiefs of mission that will return through Washington en route to their final destinations or those retiring from Washington to schedule a flag presentation ceremony so that the Department can give appropriate recognition in honor of a Chief of Mission's service by the presentation of the flags.

Departing chiefs of mission who do not travel through Washington en route to their retirement address, or who do not wish a flag ceremony, should notify the Director General's office of their final destination address so the flags can be forwarded to them by certified mail.

FSPS Annuity Supplement

What is the FSPS annuity supplement?

The annuity supplement is a benefit paid until age 62 to certain FSPS employees who retire before age 62 and who are entitled to an immediate annuity. The supplement approximates the value of FSPS service in a Social Security benefit. The general purpose of the supplement is to provide a level of income before age 62 similar to what you will receive at age 62 as part of a Social Security benefit, if eligible for Social Security at that age.

What are the eligibility requirements for the annuity supplement?

You are immediately eligible for the annuity supplement at time of retirement if you:

- Have at least 1 full calendar year of FSPS service;
- Retire with entitlement to an immediate annuity, either
  - Voluntary retirements (except Minimum Retirement Age - MRA + 10)
  - Involuntary retirements (except MRA + 10)

You are not eligible if, at the time of retirement, you:

- Retire voluntarily subject to the 5% reduction in annuity for each year under age 62 (MRA + 10).
- Retire on:
  - Disability retirement

- Deferred retirement

How long is my annuity supplement effective?

Annuity supplements are payable from the date of retirement until the month prior to the month in which the annuitant reaches age 62. Beginning at the Minimum Retirement Age (MRA), the supplement is subject to an earnings test. The annuity supplement stops at the end of the month prior to your 62nd birthday, whether or not you're entitled to or apply for Social Security benefits at that time.

Will I get annual COLA's on my annuity supplement?

The annuity supplement is not increased by cost-of-living adjustments (COLA's).

Is the annuity supplement subject to an earnings test?

The FSPS annuity supplement is subject to an earnings test similar to the one applied to social security benefits and uses the same exempt amount. Income for this purpose includes earnings after your date of retirement derived from employment in the public or private sector, included WAE appointments, income from Personal Services Contracts, etc. (Retirees are not subject to the earnings test in the year in which they retire.)

Income for this purpose does not include salary earned before retirement, annuity benefits, social security or unearned (investment) income. A reduction in, or termination of, the supplement is based on excess earnings in the previous year. For example, if an annuitant has earnings (from wages or self-employment) in a calendar year that exceeded the supplement cap, the annuity supplement must be reduced or terminated effective December 31 of that year. The reduction in the annuity supplement is $1 for every $2 earned over the exempt amount. If it is determined that your supplement must be reduced or terminated, any supplement amounts that were paid for the period after December 31st must be repaid to the Fund.

I am collecting the FSPS annuity supplement. How do I notify HR/RET of my annual earnings?

Each year, in November, HR/RET includes form DS-5026 (Statement of Entitlement to FSPS Annuity Supplement) in its annual "Annuitant Newsletter," sent to all Foreign Service retirees. This form should be sent to HR/RET by January 8 each year to establish continuing eligibility for the supplement, based on earned income. If your income in the previous year exceeded the annual cap, your Annuity Supplement will be terminated and the amount paid during January and up to the date of actual termination will be returned to the fund by reduction of your annuity until the overage is repaid.

Health Insurance

Does the premium for my Federal Employees Health Insurance change after I retire?

No. You continue to pay the same rate you paid for health insurance as an active employee. However, the amount of the deduction that appears on your annuity statement for health insurance may appear higher (i.e. more than double) because you are being paid on a monthly instead of a bi-weekly basis.

Should I enroll in both FEHB and Medicare B?

The FEHB Program is regarded as the gold standard in health insurance, so the question retirees generally ask is whether it makes sense to also enroll in Medicare B. The answer to this is an individual one, based on health and financial considerations.

When a federal retiree enrolls in FEHB and Medicare B, Medicare B becomes the primary provider. It pays for most services for retirees in fee-for-service plans, such as Blue Cross or American Foreign Service Protective Plans. The FEHBP fee for service plan then pays a portion or all of the services not covered by Medicare, waiving most of its deductibles, coinsurance and co-payments with the exception of prescription drugs. This results in nearly complete coverage for all out-of-pocket expenses. Medicare pays the provider charges first and then sends the claim electronically to the FEHB health plan, reducing paperwork and the burden on enrollees.

In deciding whether to have both FEHB and Part B, you can run the numbers. Look at the amount of health services you generally require and calculate the amount of out-of-pocket expenses you ordinarily incur for these services during a year. Then balance this against the amount you would pay in Part B premiums for a year. In 2009 this would be $1156.80 for most enrollees. If you spend approximately this amount or more, then purchasing Part B could make sense. Of course, you cannot anticipate what your health needs will be in the future, so this is an unknown. Be aware that a 10 percent penalty applies for enrolling in Part B for each year after you reach the age of 65.

Retirees in FEHBP health maintenance organizations may not need Part B coverage since HMOs provide a full range of services and the co-payments are usually low. However, there may be other considerations; for example, retirees may need coverage when traveling outside the HMO service area or require an out-of-network specialist.

Finally, since FEHB enrollees have prescription drug coverage which is as good as or better than Medicare Part D, they need not sign up for Part D.

How do my family members qualify for enrollment in the Federal Employees Health Benefits (FEHB) program after my death? If they are insured based on my eligibility for health insurance, what do I need to do to ensure their continued coverage?

After your death, your eligible family members will continue to be covered if you were enrolled for "Self and Family" plan, and if a family member receives a survivor annuity. The coverage will end if the survivor annuity terminates.

Because of this requirement, it may be in your family's interest for you to elect at least a minimum survivor annuity in order that your family can continue to be eligible for FEHB after your death.

The survivor's share of the cost of the plan is the same amount you are currently paying and will be deducted from the survivor annuity payment. If there is only one survivor annuitant and no other family member is eligible for continued coverage, the enrollment will be changed to Self Only coverage.

For more information about FEHB, please visit www.opm.gov.

If I remarry after I retire, what do I have to do to create a survivor annuity for my spouse? What do I do to include my new spouse in my health insurance coverage? When will these changes take effect?

You will have to submit DS-5072 Notification of Remarriage, SF-2809 Health Benefit Election Form, SF-2823 FEGLI Designation of Beneficiary Form, and OF-137 Designation of Beneficiary Unpaid Annuity to the Office of Retirement. Please send a certified copy of the marriage certificate and your spouse's birth certificate. Your annuity will be recomputed to a reduced annuity effective the first of the month following one year of marriage. A survivor is eligible to receive benefits after nine months of marriage, or in the event of accidental death.

The level of survivor benefits you elect for your new spouse must be the same amount you elected for your previous spouse. If you have a former spouse who is entitled to potential survivor benefits, you may elect maximum benefits for your new spouse even if your former spouse is entitled to the maximum available benefit. In the event you die and are survived by both a current and former spouse, your widow would be entitled to any portion of the survivor annuity not allotted to the former spouse, or, if none remains, she would be the contingent survivor in the event the former spouse subsequently predeceases her. In either case, your widow would retain eligibility to continue coverage under your enrollment in the Federal Employees Health Benefits Program (FEHB), as long as you are enrolled for family coverage at the time of your death.

- Your election to convert FEHB from self only to self and family will be effective the 1st of the month following the month in which HR/RET receives your SF-2809, or the 1st of the month following the month in which you were remarried.
- As stated in the 1st paragraph above, the recalculation of your annuity from full to reduced does not occur until the first of the month following one year of marriage. The survivor benefit reduction shall be equal to the reduction in effect immediately before the dissolution of the previous marriage, and increased by cost of living adjustments.
- There is no option to elect a survivor benefit other than the previous election on record in HR/RET. adjustments.
- We will enter the survivor benefit amount you elected at retirement and run the program with COLAs through the date the reduction commences one year following the date of marriage to determine what the survivor annuity will be.

May tandem couples who are retiring take two self-only FEHB policies?

Tandem couples with no dependent children usually take two self-only policies. It is a trade-off between meeting two deductibles and lower rates. Most tandems have found the lower rates more advantageous.

What do I have to do to make sure I am covered by the Federal Employees Health Benefits program after I retire?

Federal employees need to do two things to ensure the government covers their and their spouses' retirement health care costs for life.

First, feds need to be enrolled in a family plan, even if they use and prefer a spouse's private-sector health care plan. Private-sector plans may offer better benefits and lower premiums now, but most increase retirement premiums and some have cutoff points. The only way to ensure that your spouse continues in the federal health care program after you die is to be enrolled in a family plan at the time of your death.

Secondly, when you retire you must provide some form of survivor annuity, even if it is a small amount, for your spouse so he or she can continue receiving federal health care coverage when you die. If you die with single coverage, or without designating a survivor annuity, your spouse will be left out in the cold.

It also is important to remember the five-year rule: To continue in the invaluable federal health care program after retirement and enjoy its guaranteed coverage, annual open seasons and group rates, you must be enrolled in any one of the federal health care plans for the five years before retirement. There are some exceptions to the five-year rule, such as a buyout under certain conditions, but don't count on being an exception to the rule.

When I retire will I be able to continue my health insurance under the same plan for myself and for my family?

To continue your enrollment in FEHB after retirement, you must:

- be entitled to retire on an immediate annuity;
- have been insured for the five years of service immediately before the date your annuity starts, or;
- have been insured for the full period(s) of service during which you were eligible to be insured if less than five years.
- for your family to continue coverage, you must have been enrolled for Self & Family.

You are not eligible for continuation of FEHB enrollment if you select a deferred annuity. For more detailed information on health insurance and benefits seewww.opm.gov.

Where can I get more information on the Federal Employees Health Benefits program? I am especially interested in issues that might affect my benefit coverage once I retire.

You can find more information on the web site of the Office of Personnel Management. Just click on the following link: http://www.opm.gov/healthcare-insurance/healthcare/plan-information/

As a dependent child of either an active employee or an annuitant, how can I receive Temporary Continuation of Coverage (TCC) of my FEHB insurance after my 22nd birthday or date of marriage?

Your coverage as a dependent child in the Federal Employees Health Benefits (FEHB) Program, ends on your 22nd birthday or date of marriage if under the age of 22, subject to a 31-day temporary extension of coverage (at no cost to you) for conversion to a non-group (private) contract. You also have the right to temporarily continue your FEHB coverage for up to 36 months after your 22nd birthday or the date of your marriage instead of converting to a non-group contract at this time.

You may select any plan (for which you are eligible) to continue your FEHB coverage. If you choose family coverage, your spouse and your children will also be covered. To continue your coverage under the TCC provision, you must pay the full amount of the premium (both the employee and Government shares) plus a two percent administrative charge.

If you elect TCC, your enrollment charges will begin the day after the 31-day period of free coverage ends. You will be billed retroactively to the effective date of the enrollment. Therefore, you should take measures to prepare for potential delays by setting aside funds for the lump sum due for the first payment. If you continue TCC to the end of the 36-month period, you will have another 31-day temporary extension of coverage (at no cost to you) for conversion to a non-group contract. For more information, on the FEHB TCC program: go to http://www.opm.gov/

To elect TCC as a dependent child, you must complete a new Health Benefits Election Form (SF-2809), as well as form DS-5069. HR/RET must receive these forms within 60 days from the date of your 22nd birthday or marriage. You may bring, fax or mail your documents to: Department of State, Office of Retirement (HR/RET), Attn: TCC Coordinator; 2401 E Street, NW; SA-1, Room H-620; Washington, DC 20522-0108; TEL #: 202-261-8960; FAX #: 202-261-8988.

As a former spouse, how can I apply for Temporary Continuation of Coverage (TCC)?

To continue temporary coverage as a former spouse, you should complete a new Health Benefits Election Form (SF-2809), as well as form DS-5068. HR/RET must receive these forms within 60 days of your loss of original coverage due to divorce, annulment, or a court order. For additional information on the FEHB TCC Program, please see: http://www.opm.gov/. You may mail, fax or bring your documents to HR/RET.

How can I receive Temporary Continuation of Coverage (TCC) of my FEHB insurance after separating from the Foreign Service?

(Please note: TCC is not for retiring employees. Separating employees are employees who depart for reasons other than retirement.)

Your coverage in FEHB ends on the last day of the pay period in which you separate from Federal service, subject to a 31-day temporary extension of coverage (at no cost to you) for conversion to a non-group (private) contract. You also have the right to temporarily continue your FEHB coverage for up to 18 months after your separation instead of converting to a non-group contract at this time.

You may select any plan (for which you are eligible) to continue your FEHB coverage. If you choose family coverage, your spouse and your children will also be covered. To continue your coverage under the TCC provision, you must pay the full amount of the premium (both the employee and Government shares) plus a two percent administrative charge.

If you elect TCC, your enrollment charges will begin the day after the 31-day period of free coverage ends. You will be billed retroactively to the effective date of the enrollment. Therefore, you should take measures to prepare for potential delays by setting aside funds for the lump sum due for the first payment. If you continue TCC to the end of the 36-month period, you will have another 31-day temporary extension of coverage (at no cost to you) for conversion to a non-group contract.

To elect TCC as a separating employee, you must complete a new Health Benefits Election Form (SF-2809), as well as form DS-5067. HR/RET must receive these forms within 60 days of your separation from the Foreign Service. You may bring, fax or mail your documents to HR/RET. For more information on the FEHB TCC program, please go to: www.opm.gov.

How will I know when Temporary Continuation of Coverage (TCC) has become effective? Whom can I contact to find out?

It may take one to two months before you hear from the National Finance Center (NFC) Billing Unit. You may use your copy of the Health Benefits Election Form (SF-2809) that has been certified by this office to obtain medical services until you receive your ID from the carrier. The NFC sends a 'Notice of Enrollment' letter and coupons to new enrollees on the first of the month after the SF-2809 is processed or after the effective date of coverage, whichever is later.

The NFC DPRS Billing Unit may be reached on 1-800-242-9630. The line is available 7:45 a.m. to 4:00 p.m. Central Time, Monday through Friday. The NFC address is:

National Finance Center
DPRS Billing Unit
P. O. Box 61760
New Orleans, LA 70161-1760

I divorced a Federal employee (or annuitant). How can I continue my FEHB coverage as a former spouse?

Your coverage as a family member under the Federal Employees Health Benefits (FEHB) program ends when you divorce or your marriage is annulled. You are permitted a 31-day temporary extension of coverage (at no cost to you) to give you time to convert to another health benefits plan (under a non-group contract). You also have the right to continue your FEHB coverage for up to 36 months after your divorce.

There are two ways to continue your coverage: (1) Temporary Continuation of Coverage (TCC), which lasts up to 36 months, or (2) Spouse Equity coverage, which is permanent.

What is TCC?

Temporary continuation of coverage (TCC) lasts only 36 months. You may select any plan for which you are eligible to continue your FEHB coverage. If you choose family coverage, your spouse and your children will also be covered. To continue your coverage under the temporary continuation of coverage (TCC) provision, you must pay the full amount of the premium (both the employee and Government shares) plus a two percent administrative charge.

If you elect to continue temporary coverage on this basis, your enrollment charges will begin the day after the 31-day period of free coverage ends. You will be billed retroactively to the effective date of the enrollment. Strict time limits for electing TCC apply. Therefore, you should take measures to prepare for potential delays by setting aside funds for the lump sum due for the first payment. If you continue coverage through the end of the 36-month period, you will have temporary extension of coverage (at no cost to you) to allow you time to convert to another health benefits plan.

Former spouses may be able to suspend their FEHB enrollment if they enroll in certain Federal or state sponsored programs (Medicare

Advantage health plan, Medicaid, TRICARE or CHAMPVA). For more information contact the Human Resources office or retirement office that handles your account. If you had suspended FEHB coverage under these specific conditions you may re-enroll during Open Season. You may enroll outside Open Season only if you move out of your Federal health plan service area, the plan is discontinued or you lose coverage involuntarily.

Can I continue FEHB under the Spouse Equity Act?

You may enroll in an FEHB plan as a former spouse under the following conditions:

- You were covered under the former employee or annuitant's self and family FEHB plan until the divorce,
- You have not remarried before age 55, and
- You are entitled, now or in the future, to a share of the employee or retiree's annuity or survivor annuity.
- You must apply within 60 days of the divorce or the date of issuance of a determination letter by HR/RET that you are entitled to benefits, whichever is later.

This coverage is permanent unless you remarry before age 55, or unless you lose future annuity entitlements as a former spouse based on an amendment to the court order. (If you had previously been covered as a former spouse under the TCC provisions, you may convert this coverage to Spouse Equity FEHB coverage, as described above.)

Job Search Program

Who can attend the Job Search Program?

Both Civil Service and Foreign Service employees may sign up for the Job Search Program. The Foreign Service participants include employees who are taking advantage of the early retirement opportunity, some who have to retire because they are 65 years old and some who are non-voluntary retirees.

Most participants are between 45 and 65 years old. They represent all ethnic groups and both genders. They are from all types and levels of employees in the U.S. Foreign Service and State Department Civil Service. And they represent many U.S. foreign affairs agencies, including the Department of State, the Foreign Agricultural Service, the Agency for International Development, and the Foreign Commercial Service.

All participants in the Job Search Program are retiring from the U.S. Government within the subsequent 30 (Civil Service) to 60 (Foreign Service) days. They are interested in some type of work after retirement, whether it be full-time or part-time, paid or voluntary. They need the latest information on job search techniques.

The Job Search Program helps participants acquire the skills and knowledge needed to be successful in a job search through an intensive learning experience of individual/group training and counseling. It offers a wide variety of outside speakers and other activities to aid in the decisions of what to do after retirement and how to go about finding a job. The course emphasizes skill assessment, resume preparation, interviewing techniques and networking. The Job Search Program is conducted by the Transition Center at FSI.

If I am being separated for Time-in-Class or Time-in-Service, am I automatically enrolled in the Retirement Seminar and Job Search Program?

No, you must apply and register with FSI.

If I retire from an overseas post and attend the FSI Job Search Program before retiring, will I be considered to have retired from a Washington assignment, or do I remain on the rolls of the losing post and retire from that post?

There is no reassignment action to Washington when an employee departs an overseas post for the Job Search Program and retires immediately afterward. The employee remains assigned to the same position number and organization code until retirement. The employee is paid full salary from the date of departure from post until the date of retirement. However, post differentials or other allowances terminate when the employee departs post.

What is the effective date of my retirement if I take the Retirement Seminar and Job Search Program? Am I in active duty status or is my last day in my position my retirement date?

You are in active duty status until you retire on the date you have selected to retire. You are in active duty status while taking the Retirement Planning Seminar and Job Search Program. The regulations require that employees retire at the end of the Job Search Program, but do not specify a date. Depending on individual circumstances and whether the employee is covered by FSRDS or FSPS, selection of a specific retirement date should be made through consultations between the employee and his/her retirement counselor.

If you continue to be actively employed, you will continue to earn annual and sick leave until completion of your final pay period. Of course, if you have already retired and if you registered for the Retirement Planning Seminar and/or the Job Search Program before the effective date of your retirement, you may come back to take these courses in the first year after your retirement, but you will not receive salary, leave or per diem. You will, however, continue to receive your annuity.

Law Enforcement

What is the mandatory retirement age for DS Foreign Service Special Agents?

Retirement is mandatory at age 65 for DS agents unless the agent is subject to PL 105-382 (some may refer to this as H.R.633), in which case retirement is mandatory at age 57 with 20 years of law enforcement service. As explained below, an Agent may be subject to PL 105-382 automatically or by election.

- Any Special Agent as defined in Pub. Law 105-382 who is first appointed on or after November 13, 1998, as a Special Agent and who is a participant in the Foreign Service Retirement and Disability System (FSRDS) or who will have any part of his or her annuity computed under section 806(a)(6) of the Foreign Service Act (an FSRDS provision) is automatically subject to Pub. Law 105-382. (Generally this applies to Agents with five years of civilian service before 1987).
- An individual who is serving or has served as a Special Agent and who was an employee participating in the FSRDS or FSPS (Foreign Service Pension System), on November 13, 1998, could have elected coverage under Pub. Law 105-382

Leave and Pay

Does reemployment affect my lump sum payment of annual leave?

The Lump Sum Payment for Annual Leave is paid in advance and is credited "as if used." The start and end dates of "as if used" are the day after your retirement until the leave hours are exhausted.

- If you are immediately reemployed in a leave-earning position (most positions, other than WAE), the lump sum payment of annual leave is deferred until you separate from that leave earning position.
- If there were a break in service between retirement and the effective date of reemployment in the leave earning position, you could receive a lump sum payment of annual leave covering the break in service, but none beyond that. The time would be deducted from the total time available to be paid as if used. For example, if you retired 9/30/08 and had three months of accumulated annual leave to be paid out in a lump sum, and you were reemployed in a leave earning position 12/1/08, you could only receive a lump sum payment representing two

months of annual leave immediately. Payment of the other month of annual leave would be deferred until you separate from the leave earning position.

Does the Department have a performance pay plan?
Yes.

Does the Department have a profit sharing program?
No.

I am about to retire on disability, but I still have some unused sick leave I had been saving for an emergency. Can I use up the balance before I retire?
An employee who is ill or disabled may be granted:

- all current accrued and accumulated sick leave due to the employee;
- any additional sick leave that has accrued while in leave status; and
- leave without pay at the discretion of the appropriate leave-granting official.

If an ill or disabled employee resigns while on leave, the employee's leave-with-pay status shall terminate not later than the end of the payroll period in which the notification is received in the appropriate headquarters personnel office.

If the employee has been granted sick leave that would extend beyond the end of the payroll period, the employee may be continued on sick leave until the expiration of the approved leave, provided that no advance sick leave may be utilized, Refer to 3 FAM 3428 (b)(4).

An employee approved for disability by MED has the option to use all accrued sick leave prior to retirement. HR/RET can accept an appropriate form letter signed by the Deputy Assistant Secretary for Human Resources, advising the employee of his/her right to apply for and be granted up to the maximum amount of sick leave to which he/she is entitled. In this case, the effective date of retirement would be the day the sick leave expires.

I will be retiring shortly and will be receiving a lump sum payment for my annual leave. Can I have TSP contributions deducted from this payment?

No. TSP contributions may not be deducted from this payment because it does not constitute basic pay which is defined by law. Neither the Federal Retirement Thrift Investment Board nor the Department of State has the authority to waive this statutory restriction.

If there is a remaining leave balance after announcement of a January COLA or pay increase, is the new rate applicable to the leave balance?
Yes. An additional payment will be made for the new rate after the payment is made for the annual leave lump-sum balance. This payment will be calculated automatically; the annuitant does not have to apply to receive this amount.

Is it more advantageous when retiring to exceed the leave cap and retire before forfeiting leave or have the maximum leave in the first pay period and get the new COLA pay rate for a new high three?
The excess non-forfeited leave is more advantageous. The high-three is calculated on.high three average salary over the past 1080 days (3 years). One day or a few days at a higher salary rate will have a neglible impact on the annuity (usually less than a dollar a month).

Is the lump-sum payment for annual leave paid based on the value of the leave at the time of retirement, or the value of the leave over the period of time it could have been taken from the time of retirement?
By statute, employees are entitled to a lump-sum payment for accumulated and accrued leave upon their separation from the government. The lump-sum payment should equal the pay the employee would have received had he or she remained in service until the expiration of the period of annual leave. Such payment includes future annual pay adjustments, but not promotions or within-grade-increases.

The details of calculating this lump-sum payment are set forth in OPM regulations and policies, as well as in the Standardized Regulations. The lump sum payment will automatically be processed at the correct rate; the annuitant does not have to apply for an additional payment after the annual cost of living adjustment (COLA) takes effect.

May I take annual leave before I retire or separate?

Generally no. If you have set a retirement or separation date, you may not take annual leave "except when in the interest of the Service." That decision rests with the Post, if overseas, or the Bureau, if assigned domestically.

What are the retirement considerations when choosing between Presidential pay and SFS pay for a Presidential appointment?

In making the choice between SFS Pay and Leave or Presidential Appointee Pay, appointees should consider the implications for their retirement annuity calculations.

Sick Leave: Accumulated unused sick leave is used to increase total time-in-service for annuity computation purposes for FSRDS and CSRS only, and only when retiring on an immediate annuity. The days of unused sick leave are used only in counting the number of years and months of service for annuity computation purposes; they cannot be added in computing the "high three" average pay, or for the purpose of meeting minimum length of service required for retirement eligibility. (Unused sick leave is not converted into creditable service under FSPS/FERS, except for FSRDS/CSRS employees who transferred to FSPS/FERS and whose sick leave balances were frozen at the time of transfer.)

The standard calculation method is: 22 workdays (176 hours) equals one month; 260 workdays (2087 hours) equals one year.

Note, however, that in computing total service credit (which includes government civilian service, military service and unused sick leave), a final aggregate total of years, months and days will be rounded down to the nearest month. Any remaining days in the final aggregate total under 30 calendar days are dropped from the final time-in-service calculation. Unused home leave is neither paid nor included in time-in-service retirement calculations.

Lump-sum Payments for Annual Leave: If a presidential appointee retires or otherwise terminates employment with the Federal Government, a lump-sum payment for accrued annual leave will be made. If an appointee elected SFS Pay, the lump-sum payment will be based on the SFS basic salary in effect at the time of retirement or termination of employment. If the appointee elected Presidential Appointee Pay status and retires or terminates at post while in the Presidential Appointee Pay status, the lump sum payment will be based on the SFS basic salary the member was receiving prior to the member's change in status. That means, in some cases, that the annual leave lump-sum payment could be based on a SFS salary several years old.

It has been the Department's practice, however, to allow appointees who elected Presidential Appointee Pay status to change their status outside of the open season back to SFS status before retirement (see 3 FAH-1 H-2265).

In evaluating the impact of a change in election, appointees will want to consider:

- The rate that will be used to determine lump-sum annual leave payments at retirement, separation or termination.
- The amount of annual leave the member expects to accrue and use during his/her term as a presidential appointee; and
- The monetary value of the member's projected annual leave balance based on the SFS Pay and Leave election.

To determine the approximate monetary value of the projected leave balance, members should divide their last SFS annual rate of basic pay by

2087 (the standard payroll divisor) to determine their hourly rate of pay. Next, multiply the hourly rate of basic pay by the projected number of hours of annual leave.

Can unused sick leave be donated to another Foreign Service officer who could use it during maternity leave?

You may not donate sick leave. Upon retirement, the balance is credited to your time in service under FSRDS, or is lost under FSPS.

Unused annual leave is paid out as a cash lump-sum payment.

Do I count my unused sick leave in my FSRDS/FSRDS Offset calculation to determine retirement eligibility?

No. Sick leave is not credited in determining whether an employee is eligible to retire. Only Federal service credit counts for eligibility determinations. Sick leave is factored in after eligibility is confirmed.

How can I get maximum credit for my sick leave at retirement?

Whether you get credit toward retirement for unused sick leave depends on whether you are in the 'old' retirement system, FSRDS, or the 'new' system, FSPS.

- The service of an FSRDS/FSRDS Offset participant who (1) retires on immediate annuity or (2) dies leaving a survivor entitled to survivor annuity is increased by the hours of unused sick leave to the employee's credit in monthly increments.
- Creditable sick leave (calendar years, months and days) is added to the years, months and days of regular service, then the odd days are dropped. For example, if one under FSRDS had 20 years, 6 months and 15 days of regular service and 1 month, 20 days of sick leave, he would receive credit for 20 years, 8 months of service. The (5) odd days would be dropped from the computation.
- A participant in FSPS with an FSRDS component to the annuity receives credit in the FSRDS annuity component for the smaller of (1) the unused sick leave he or she had when he or she switched to FSPS, or (2) the unused sick leave balance at retirement.
- A participant in FSPS who does not have an FSRDS component to his or her annuity receives NO credit for unused sick leave.
- Sick leave does not affect the high three average salary calculation; it is not credited in determining when an employee is eligible to retire. However, unused sick leave may be credited without regard to the 35-year limitation.

How is the lump sum payment for unused annual leave calculated for Foreign Service employees?

You will receive a lump sum payment for unused annual leave six to eight weeks after you retire. The amount of the payment for your leave will be calculated at the salary rate you would have been earning at the time of payment is made, i.e. the pay rate applies on an "as if used basis." The amount of annual leave will be 80 hours per pay period. No holidays will be considered in determining when the period covered by your unused annual leave expires.

For example, if you retire at the end of September, up to 560 hours of annual leave would be paid at the rate of pay you would have earned until the next annual cost of living adjustment is made the following January. If you have more than 560 hours, the remainder of your unused annual leave would be paid at the higher salary rate that comes into effect in January. If you retire on December 31, only the first 40 hours of unused annual leave would be paid at your prevailing salary rate, and any balance would be paid at the higher salary rate that comes into effect in January.

Any adjustments during the "as if used period" are paid retroactively. You may send a request to the Retirement Accounts Division, PayHelp@state.gov, to ensure this adjustment is made.

There are two issues that can affect maximization of the lump sum payment for annual leave. You should be aware that if you enroll in the Job Search Seminar prior to retirement, you have to retire on the last day of the seminar, and therefore you will not earn annual leave for the rest of the year.

Also, if you are reemployed in a position with the Federal government in which you earn annual leave before your balance of unused annual leave would expire, you will have to repay any overpayment for unused annual leave. For example, if you receive a lump sum payment for three months of annual leave and you accept employment in a position in which you start earning leave one month after retirement, you would have to repay two months worth of unused annual leave.

Hourly rate times number of hours annual leave = Gross amount of payment. The gross amount has mandatory deductions for OASDI (6.2%) FHI (1.45%).

If I am not reviewed for promotion, am I eligible to be reviewed for Performance Pay by the Board?

Yes, if you have submitted an EER for the rating period ending prior to the September 30 date of separation / retirement.

When a Foreign Service employee retires, is there any maximum amount of unused annual leave for which he or she will receive a lump sum payment?

According to {5 USC 6302 (f)(1)} which took effect October 14, 1994 the ceiling on annual leave for Senior Foreign Service officers was set at 720 hours, or 90 days. However, a grandfather clause allows SFS members with accumulated annual leave that exceeded 720 hours prior to October 14, 1994, to retain their excess annual leave in a personal leave ceiling until used.

If you have more than that amount at the start of the first pay period of the year, you can lose leave. If you have more than that amount and you retire before your leave balance is reduced at the start of the first pay period of the year, you will be paid for the entire balance of unused annual leave. For this reason, many officers do not take annual leave during their last year of duty.

The maximum amount of leave that could be accrued would be 720 hours plus the amount a senior officer could earn in one calendar year, i.e. 208 hours(8 x 26 pay periods), for a total lump sum payment of 928 hours. While paid as a lump sum at the prevailing rate at the time of payment, the pay rate applies on an "as if used basis." Any adjustments during the "as if used period" are paid retroactively and should be requested.

You should be aware, however, that if you enroll in the Job Search Seminar prior to retirement, you have to retire on the last day of the seminar and therefore will not earn annual leave for the rest of the year.

As a retiree, I was employed on an LNA (limited non-career appointment) for services overseas and FERS deductions were taken from my salary. How do I apply for a refund of those deductions?

Complete the SF-3106 and send the form to the Bureau where you were employed if you have been separated 30 days or less. If you have been separated more than 30 days, forward the application to the following address:

Office of Personnel Management
Federal Employees Retirement System
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

How can I get maximum credit for my sick leave at retirement?

Whether you get credit toward retirement for unused sick leave depends on whether you are in the 'old' retirement system, FSRDS, or the 'new' system, FSPS.

- The service of an FSRDS/FSRDS Offset participant who (1) retires on immediate annuity or (2) dies leaving a survivor entitled to survivor annuity is increased by the hours of unused sick leave to the employee's credit in monthly increments.
- Creditable sick leave (calendar years, months and days) is added to the years, months and days of regular service, then the odd days are dropped. For example, if one under FSRDS had 20 years, 6 months and 15 days of regular service and 1 month, 20 days of sick leave, he would receive credit for 20 years, 8 months of service. The (5) odd days would be dropped from the computation.
- A participant in FSPS with an FSRDS component to the annuity receives credit in the FSRDS annuity component for the smaller of (1) the unused sick leave he or she had when he or she switched to FSPS, or (2) the unused sick leave balance at retirement.
- A participant in FSPS who does not have an FSRDS component to his or her annuity receives NO credit for unused sick leave.
- Sick leave does not affect the high three average salary calculation; it is not credited in determining when an employee is eligible to retire. However, unused sick leave may be credited without regard to the 35-year limitation.

Life Insurance

Can I get a refund of my contributions to FEGLI, Federal Employees Group Life Insurance?

No. You purchased life insurance. You did not contribute to it.

How do I continue life insurance coverage after I retire? How do I designate a beneficiary for my FEGLI (Federal Employees Group Life Insurance) life insurance?

In order to continue your life insurance under this program into retirement, you must:

- be entitled to retire on an immediate annuity
- be insured for the five years of service immediately before the date your annuity starts, or for the full period(s) of service during which you were eligible to be insured if less than five years; and
- not have converted to an individual policy.

When you reach age sixty-five, or if you are age sixty-five or older when you retire, whether you continue to pay premiums depends on what reduction schedule you have chosen.

To designate a beneficiary of your life insurance benefits payable upon your death, you must fill out form SF 2823 (Designation of Beneficiary).

For more information about FEGLI, see the FEGLI Handbook on OPM's website at: http://www.opm.gov/healthcare-insurance/life-insurance/reference-materials/publications-forms/fegli-handbook/.

I am planning to retire this year. May I add Option A coverage to FEGLI if I do not currently have it; may I increase my Option B multiples; may I add Option C?

To continue Basic FEGLI or any of the Options into retirement, you must have been enrolled for the five (5) years immediately before starting your annuity or covered by FEGLI for all period(s) of service during which FEGLI coverage was available to you if it is less than 5 years.

If you do not have Option B at the time of retirement, you cannot pick it up. If you have Option B at the time of retirement you can keep or decrease your multiples if you have 5 years prior to retirement.

If you did not elect Optional insurance when you were first hired, or you simply want different coverage, you have two opportunities other than an Open Season (relatively rare), to make changes: by providing medical information, or by experiencing a life event. As long as at least one year has passed since the effective date of your last waiver of life insurance coverage, you may provide at your own expense satisfactory medical information by completing the SF 2822, Request for Life Insurance. You will have 31 days from the approval date to elect Option A (Standard) and/or elect Option B (Additional) or increase your Option B multiples by completing a Life Insurance Election, SF 2817 and submitting it to your HR office.

You cannot elect Option C (Family) or increase your Option C multiples by providing medical information. You can get Option C based on a life event (examples: marriage, divorce or birth of child) as outlined on the website, www.opm.gov/insure/life. You have 60 days to elect Option C after experiencing a life event by completing a SF 2817 and submitting it to your HR office.

If I retire from Foreign Service, how do I get a CSI number verifying my life insurance as an annuitant from the Office of Personnel Management?

The following information is taken from the FEGLI Handbook Chapter on Annuitants and Compensationers:

If you retire under a system other than CSRS or FERS, the administering agency/office of that system must certify your retirement status to the Office of Personnel Management on the Certification of Insured Employee's Retired Status (SF-2820). Foreign Service retirees are certified by the Office of Retirement.

OPM will determine whether or not you meet the requirements for continuing insurance as an annutiant. OPM will notify both you and the administering agency/office of the decision. If you are eligible to continue coverage, OPM's Retirement Operations Center will maintain your life insurance file. You will be given a CSI file number and a letter explaining the value of your life insurance. The duplicate copy of the SF-2820 will be sent back to the administering agency of the retirement system.

Retired annuitants should be sure to keep their SF-2820 with their important documents.

What are Living Benefits?

The Living Benefits Act (Public Law 103-409) under FEGLI became effective July 25, 1995. It provides that an employee or annuitant who has been diagnosed as terminally ill and who has a life expectancy of 9 months or less, may cash in their Basic life insurance only.

What do I do with my FEGLI basic insurance when I retire?

Your Basic Life, Option A-Standard, Option B-Additional, and Option C-Family insurance coverage continues into retirement if you:

- Retired on an immediate annuity;
- Were insured for the five years of service immediately before your retirement, or for the entire period(s) during which coverage was available to you;
- Elected to continue your coverage; and
- Did not convert your life insurance to an individual policy.

The Basic Insurance Amount (BIA) is based on the employee's annual rate of basic pay at the time of retirement. The BIA equals the sum of the employee's annual basic pay at time of retirement rounded to the next higher thousand, plus $2,000. A retiring employee who continues Basic insurance into retirement elects from the following options:

75% reduction. The BIA will begin to reduce by 2% of the face value each month beginning with the second month after the date you are 65 or the second month after you retire, whichever is later. This reduction continues until your BIA reaches 25% of the face value. This coverage is free once it starts to reduce. The monthly premium is $0.3250 for each $1,000 of the Basic life insurance in effect at retirement.

50% reduction. Beginning with the second month after the date you are 65 or the second month after you retire, whichever is later, the BIA reduces at the rate of 1% per month over 50 months until reaches 50% of the BIA at time of retirement. The monthly premium is $.60 per month per $1,000 of the full face value of the Basic life insurance in effect at retirement. These premiums continue until the annuitant's death. The monthly premium is $0.9250 for each $1,000 of the Basic life insurance in effect at retirement.

No reduction. If you elected this reduction schedule, the full amount of your BIA remains in force after you reach age 65. Premiums are withheld beginning at retirement and continuing for life. The monthly premium is $1.83 per month per $1,000 of the full face value of the Basic life insurance in effect at retirement.

What are the FEGLI options at retirement?

The amount of your optional insurance in retirement depends on what options you elect at the time you retire. That amount continues until you reach age 65 or at the time of retirement, whichever is later, unless you elect No Reduction (for Option B-Additional and Option C-Family only).

FEGLI-OPTION A- STANDARD - Option A provides $10,000 of coverage in addition to Basic insurance. An employee who elects to continue Standard Option as a retiree will pay premiums until age 65 or date of retirement, whichever is later. Option A coverage begins to reduce 2% per month ($200) beginning the second month turning 65 or the second month after you retire, whichever is later, until it reaches 25% of the face value ($2,500). Until age 65, the cost of Standard Option insurance depends on your age.

FEGLI-OPTION B-ADDITIONAL - Option B provides additional insurance in amounts up to five times an employee's basic pay (rounded up the next $1,000). A retiring employee who elects to continue Additional Option after retirement may choose between the options below. These options designate the amount of insurance that will remain in effect for the retiree after age 65 or retirement whichever is later.

If you do not have Option B at the time of retirement, or if you had Option B for less than five years before you retired, you cannot pick it up. If you have Option B at the time of retirement, you can keep or decrease the multiples you have.

If you choose Full Reduction, the value of your Full Reduction Option B multiples will reduce by 2% of the pre-retirement amount each month for 50 months, at which time coverage will end. The reduction starts at the beginning of the second month after you 65th birthday or at retirement, whichever is later.

If you choose No Reduction, the value of your No Reduction Option B multiples will remain in effect. This coverage continues until your death, or you change your election to Full Reduction, or cancel the insurance. The premiums appropriate to your age and the number of multiples you elected are withheld from your annuity.

FEGLI-OPTION C-FAMILY - Option C provides life insurance coverage on your immediate family. The minimum coverage for a spouse is $5,000; this may be increased up to 5 multiples of $5,000 each or to a maximum of $25,000. The minimum coverage for eligible children is $2,500 per child; this may be increased by 5 multiples of $2,500 each up to a maximum of $12,500 per child. The prospective retiree has the same choices as he/she has for Additional Option if this coverage was in effect five (5) years prior to retirement. See above explanations on Full Reduction and No Reduction elections.

FEGLI FORMS

To cancel, decrease multiples and make appropriate elections when you retire, you should complete form SF 2818, Continuation of

Life Insurance Coverage. This form will automatically print out when you use EBIS e-retirement module. SF-2818 is also available at: www.RNet.state.gov or on the website of the Office of Personnel Management at http://www.opm.gov/forms/pdf_fill/SF2818.pdf.

To make any changes to your FEGLI coverage after you retire, you should submit a completed SF 2818 to: Office of Retirement, Department of State, Room H-260, SA-1 Washington, DC 20522, Fax: (202)261-8988; E-mail:RETServices@state.gov.

For further information, see the FEGLI website at: http://www.opm.gov/insure/life.

For further information on calculating FEGLI premiums, visit the FEGLI calculator at: http://www.opm.gov/calculator/worksheet.asp.

What does it mean to assign my life insurance?

Effective October 3, 1994, Public Law 103-306, amended the life insurance law to allow employees and annuitants enrolled in FEGLI to assign their insurance to another person, to a firm, or to a trust.

It is intended to help terminally ill (life expectancy of 24 months or less) employees and annuitants by giving them an influx of cash to finance medical care and improve the quality of their final days of life.

Can I revoke an assignment of my life insurance?

Once assignments are made they cannot be changed, cancelled, or assigned to another person. Please refer to FEGLI Brochure #RI 76-21 for additional information.

Who can sign the SF-2818 'Continuation of Life Insurance Coverage' form?

Only you, the insured employee, may sign SF-2818. The signature of an assignee, a guardian, conservator or other fiduciary (including, but not limited to, those acting according to a Power of Attorney or a Durable Power of Attorney) is not acceptable.

SF-2818 'Continuation of Life Insurance Coverage' can be online found at: http://www.opm.gov/forms/pdf_fill/SF2818.pdf.

Medicare

Are FICA and Medicare taxes withheld from annuity payments under FSPS?

No.

How do I determine whether it would be better to enroll in Medicare or remain in the Federal Employees Health Benefits Program?

See information on coordination of FEHB with Medicare on the OPM website: www.opm.gov. You may also call 1-800-633-4227 (1-800-Medicare)].

What kinds of coverage are provided by Medicare Parts A, B and C?

Medicare Part A, which is hospital insurance, helps pay for inpatient hospital care, skilled nursing facility care, and home health and hospice care. Medicare Part B, which is medical insurance, helps pay for doctors' services, outpatient hospital services and diagnostic tests. The new Medicare D provides prescription drug benefits.

Who may be covered by Medicare Parts A, B and C?

Medicare Part A is provided at no cost to all federal employees actively employed during and after January 1, 1983, those eligible for Social Security benefits or who paid Medicare taxes for ten years while employed by the federal government and those whose spouses are eligible for Part A. Those who do not qualify may buy Part A. Part B is available to anyone 65 and older who is either a U.S. citizen, or a lawfully admitted alien who has resided in the U.S. for five years. Part C is available to anyone who has Medicare coverage.

What are the premiums for Medicare Parts A, B and C?

Part A is free to most people. The 2009 monthly premium for Part A, if one is not eligible for free coverage, is $443 (or $244 if one has 30 to 39 quarters of Medicare-covered employment).

Medicare B premiums are means tested. Most people will pay the standard premium of $96.40 in 2009. Approximately 4 percent of Medicare Part B enrollees with high incomes (incomes in excess of $85,000 for individuals or $107,000 for couples) will pay a higher premium.

Medicare B premiums can be deducted from Social Security payments, but they cannot be deducted from Foreign Service annuity payments. Medicare sends a bill every three months to enrollees without automatic deductions; the bill must be paid promptly to avoid cancellation of coverage.

Do I have to apply for Medicare coverage?

If you are already getting Social Security benefits at age 65, you do not have to apply. Rather, Medicare will automatically enroll you in both Parts A and B and send you a Medicare card about three months before your 65th birthday. If you don't want Part B, follow the instructions on the card. If you are not getting Social Security benefits three months before turning 65, apply for Medicare at any Social Security Administration Office. This marks the beginning of a seven-month initial enrollment period. If one waits 12 or more months to enroll, the premiums will go up 10 percent for every 12-month delay.

Should I enroll in both FEHB and Medicare B?

The FEHB Program is regarded as the gold standard in health insurance, so the question retirees generally ask is whether it makes sense to also enroll in Medicare B. The answer to this is an individual one, based on health and financial considerations.

When a federal retiree enrolls in FEHB and Medicare B, Medicare B becomes the primary provider. It pays for most services for retirees in fee-for-service plans, such as Blue Cross or American Foreign Service Protective Plans. The FEHBP fee for service plan then pays a portion or all of the services not covered by Medicare, waiving most of its deductibles, coinsurance and co-payments with the exception of prescription drugs. This results in nearly complete coverage for all out-of-pocket expenses. Medicare pays the provider charges first and then sends the claim electronically to the FEHB health plan, reducing paperwork and the burden on enrollees.

In deciding whether to have both FEHB and Part B, you can run the numbers. Look at the amount of health services you generally require and calculate the amount of out-of-pocket expenses you ordinarily incur for these services during a year. Then balance this against the amount you would pay in Part B premiums for a year. In 2009 this would be $1156.80 for most enrollees. If you spend approximately this amount or more, then purchasing Part B could make sense. Of course, you cannot anticipate what your health needs will be in the future, so this is an unknown. Be aware that a 10 percent penalty applies for enrolling in Part B for each year after you reach the age of 65.

Retirees in FEHBP health maintenance organizations may not need Part B coverage since HMOs provide a full range of services and the co-payments are usually low. However, there may be other considerations; for example, retirees may need coverage when traveling outside the HMO service area or require an out-of-network specialist.

Finally, since FEHB enrollees have prescription drug coverage which is as good as or better than Medicare Part D, they need not sign up for Part D.

Online Services

How can I access both Employee Express and Annuitant Express as a Foreign Service annuitant?

Shortly after your annuity commences, you will be sent a personal identification number (PIN) by the Office of Personnel Management (OPM); this PIN will allow you to access your annuity statements, change your address and other data online.

To log onto Annuitant Express go to www.employeeexpress.gov. Enter you Social Security number as your user ID, then the pin you received from OPM. [You can change your PIN to a password the first time you log on. Remember, this PIN is not the same one you used to access your pay statements while you were (or are) employed.] When you are asked to identify your agency, you should select "Foreign Service annuitants."

You should also record your change of address with the Retirement Accounts Division at PayHelp@state.gov. In the event you lose your PIN, the address you provide on the "Lost or Forgot PIN" page on Employee Express has to match the address the Retirement Accounts Division has in their system. If your address is current, a new PIN will be mailed to you from OPM.

How do I obtain a copy of my earnings and leave statement when I am employed on a WAE (When Actually Employed) basis?

You can access your statements through Employee Express at http://www.employeeexpress.gov on the internet. The process is the same one you used to access your earnings and leave statements before you retired.

On Employee Express, you will be asked to enter your Social Security Number (SSN) and a Personal Identification Number (PIN) issued by the Office of Personnel Management (OPM). You can change your PIN the first time you log on. Remember, this PIN is not the same one you use to access your monthly annuity statements through Employee Express.

If you do not know your personal identification number (PIN), then you should go to http://www.employeeexpress.gov and click on "Lost or Forgot PIN" and request a new PIN by mail. Please note that when you are asked to select your agency you should select "Department of State." The address you provide on the "Lost or Forgot PIN" page must match the address that Human Resources has on record for you.

If you wish to know how much you can earn as a WAE (when actually employed) employee before you reach your salary/annuity limit, you can request an audit from the Retirement Accounts Division. Send your request to Payhelp@state.gov.

Retirement Points of Contact

How can I find out how much money is in my retirement account?

Send your request to PayHelp@state.gov

I need to update my security clearance but have a question about the online application eQIP. What do I do?

Anyone completing an eQIP file request on behalf of the Department who encounters any issues or has questions is encouraged to contact the Customer Service Center at (571) 345-3185, or toll-free at 1-866-643-4636, between 8am - 5pm, EST, Monday - Friday. They are also available by email at securityclearance@state.gov.

What is the address of the RNet website?

RNet can be accessed at http://rnet.state.gov.

Where do I submit my travel voucher?

For TDY (temporary duty) travel:

- If traveling from a location in the United States to a post overseas, the voucher should be filed upon return from temporary duty. Such claims are normally handled through the Travel Manager of your bureau.
- Domestic TDY claims are normally handled by the bureau.

For retirees:

- Travel vouchers should be submitted to RM's office in Charleston (see below).

For PCS (permanent change of station) travel:

- If traveling from overseas to a location in the continental United States, the claim should be submitted to RM's office in

Charleston (see below). If traveling from a location in the continental United States to an overseas post, the claim should be filed at post.
- If traveling from one overseas post to another, the claim should be filed at the post of destination.
- Domestic PCS claims should be submitted to RM's office in Charleston (see below).

For FSI training/consultations in route:

- Vouchers should be submitted to RM's office in Charleston (see below).

Global Financial Services RM/GFS
U.S Department of State
1969 Dyess Ave
Charleston, SC 29415-5008
Attn: Employee Claims

Prior Civilian Service

Do I receive credit toward retirement automatically for my prior civilian service, or do I have to pay for it? I plan to retire under the rules that apply to FSRDS.

If a FSRDS employee performed civilian service during which no retirement deductions were withheld, and the service was performed prior to 11/1/83, the service time will be counted in the annuity, subject to a small reduction. If an FSRDS employee had service after 10/30/83 that was not subject to FSRDS withholding, the employee must pay the deposit due or the service will not be counted in the annuity computation.

If an FSPS employee performed a type of federal employment for which no retirement deductions were withheld, such as Peace Corps volunteer service, the service will not be counted in the annuity unless a deposit is paid. If an FSPS employee performed a type of employment not subject to retirement withholding, and the service was performed after 12/31/88, the FSPS employee cannot purchase credit for the service.

In general, the rate of deposit due for most FSRDS service is 7% of basic pay, plus interest. If the deposit period occurred before 11/1/83, interest on the deposit accrues at 3.0% per year. For a deposit period occurring on or after 11/1/83, annual interest on the deposit accrues at a variable market rate.

Does service on a personal service contract (PSC) count toward retirement?

Periods of service under a personal service contract or personal services agreement do not qualify for retirement credit, unless the employee applied for and received approval for credit under P.L. 100-238 in 1988-1990. That law allowed the Secretary to make a one-time exception to the general rule.

Does the time that I was on leave without pay (LWOP) count toward retirement or not?

Employees may receive up to 6 months credit in any calendar year for periods of Leave Without Pay (LWOP) from a Federal job and full credit for any periods during which workers' compensation benefits were paid from the Department of Labor. Employees receive no credit for periods of Intermittent No Work Scheduled (INWS) status under the Family Member Appointment (FMA).

How do I apply for retirement credit for the 1989-1998 PIT buy-back?

The Pit Buyback program ended on August 29, 2008.

Do I get credit toward retirement for my service as a Peace Corps or VISTA volunteer? Or if I worked in the US Post Office on a temporary appointment during the holidays? Or for the government of the District of Columbia before 1987?

Virtually all types of Federal civilian appointments qualify for credit, subject to the conditions on deposits or redeposits. Service that qualifies for credit, for example, includes all employment in which the individual was appointed to a position in the USG, temporary Christmas appointments at the Post Office, service as a Peace Corps or VISTA volunteer (if necessary deposits paid), service in the D.C. Government (if first hired before 1987).

To receive credit for prior service, submit a request through the your Human Resources office.

For Peace Corps or VISTA service, also submit a copy of your Certification of Service documenting your VISTA service. This certification should document your training versus volunteer time, and should also document your stipend amount.

If my prior service, either civilian or military, is included in my service computation date (SCD) doesn't that mean my service will count toward retirement?

No, your service computation date (SCD) may be different for leave and retirement purposes. The rate of accrual of annual leave is based on the individual's years of creditable Federal service for leave purposes. To be counted toward eligibility for retirement, the employee must also have participated in the Federal retirement system by making contributions to a Federal retirement plan. If contributions were not withheld from your earnings, your service will not count toward retirement (except as explained below).

There is one exception to the general rule. If an FSRDS employee performed civilian service during which no retirement deductions were withheld, and the service was performed prior to 11/1/83, the service time will be counted in the annuity, subject to a small reduction.

I withdrew funds when I left the Federal service. I later rejoined the Federal government. How do I determine what amount I now need to redeposit so that credit for my previous service will be used in my annuity calculations?

State employees should make a prior service request through HR Link on EBIS. If you do not have access to EBIS, please complete Form DS-5001, (FSPS and FSRDS) listing in chronological order the periods of Federal civilian service you want to claim: Submit the form to: HR/RET, 2401 E Street N.W., SA-1 Room H-620,Washington, DC 20522 Fax: 202-261-8988. . HR/RET will inform you of the amount owed.

Prior Military Service

If my prior service, either civilian or military, is included in my service computation date (SCD) doesn't that mean my service will count toward retirement?

No, your service computation date (SCD) may be different for leave and retirement purposes. The rate of accrual of annual leave is based on the individual's years of creditable Federal service for leave purposes. To be counted toward eligibility for retirement, the employee must also have participated in the Federal retirement system by making contributions to a Federal retirement plan. If contributions were not withheld from your earnings, your service will not count toward retirement (except as explained below).

There is one exception to the general rule. If a FSRDS employee performed civilian service during which no retirement deductions were withheld, and the service was performed prior to 11/1/83, the service time will be counted in the annuity, subject to a small reduction.

When performing my 15-day National Guard training period I receive all applicable allowances just like members of the Reserves do. Is my National Guard training service creditable?

No, training periods in the National Guard do not count as military service and are, therefore, not creditable towards your annuity. National Guard training duty is not creditable unless orders were issued under Title 10, not Title 32, US Code. National Guard training periods when called for duty solely by the governor of a state or when performed exclusively for a state under section 316 or Sections 502 to 505 of title 32, US Code are not creditable.

How do I make a military deposit?

State employees should apply for prior service credit through HR Link on EBIS. Employees of other Foreign Affairs agencies to apply for credit through their agency HR office. All employees should complete and send form RI-20-97 'Estimated Earnings during Military Service' along with a copy of their DD-214 'Report of

Separation,' to the pay office for each branch of service. The pay center addresses are on the reverse side of form RI-20-97. State employees should submit their earnings to HR/RET at the same time as they make a request for prior military service credit on HR Link on EBIS. Once in receipt of their earnings, employees of other agencies should submit them to their agency HR office for all periods of service, along with form DS-5001 (see www.rnet.state.gov).

Do I have to make a military deposit to get credit for my military service in my FSRDS/FSPS annuity?

A participant in FSRDS, FSRDS Offset or FSPS may make a deposit, if necessary (see below) for active duty military and naval service. A participant in FSRDS includes an employee under FSPS, where the military service is credited in the FSRDS component to that annuity. The rules are as follows:

A participant in FSRDS who was first hired under FSRDS before 10-17-83, must make a military deposit (currently 7.25%) for military service after 1976. If the deposit is not made, and the employee and/or his survivors is/are eligible (or upon application would be eligible) for social security (regardless of whether benefits are suspended for excess earnings), the military service is not available for credit when such eligibility begins.

A participant in FSRDS who was first hired under FSRDS after 10-16-83, and who was first employed by the Federal government in a civilian capacity before 10/1/82 must make a military deposit (currently 7.25%) for military service after 1956. If the deposit is not made, and the employee and/or his survivors is/are eligible (or upon application would be eligible) for social security (regardless of whether benefits are suspended for excess earnings), the military service is not available for credit when such eligibility begins.

A participant in FSRDS who was first hired under FSRDS after 10-16-83, and who was first employed by the Federal government in a civilian capacity after 9/30/82 must make a military deposit (currently 7.25%) for military service after 1956. If the deposit is not made, the military service is not available for credit.

A participant in FSPS must make a military deposit (currently 3%) for military service after 1956. If the deposit is not made, the military service is not available for credit.

Deposits for Military Service Credit- FSRDS

Date First Employed Under FSRDS	Date First Employed in Civilian Capacity	7% Deposit Due for Military Service	Interest Begins to Accrue
Before 10/17/83	N/A	After 12/31/76*	10/17/85
After 10/16/83	Before 10/1/82	After 12/31/56*	2 Years after the later of 10/17/83 or date first under CSRS/FSRDS
After 10/16/83	After 9/30/82	After 12/31/56**	(same as above)

*If military deposit is not paid, post 1956/76 military service is not available for credit if employee is 62 and eligible for social security.

**If military deposit is not paid, post 1956 military service is not available for credit at anytime.

Deposits for Military Service Credit- FSPS

3% Deposit Due for Military Service Interest Begins to Accrue 1/1/89, or 2 years after date first employed under FSPS, whichever is later

**If military deposit is not paid, post 1956 military service is not available for credit at anytime.

If an employee voluntarily switched to FSPS (or FERS) after performing at least 5 years of civilian service under the old retirement system (see additional requirements in 3 FAM 6126.5), and the military service was performed before the change to FSPS (or FERS), the military service is credited under the rule "Military Service Credited in FSRDS Benefits".

If I receive a refund of my military buy-back contributions under FSPS, and I rejoin federal service in the future, will I have another opportunity to buy back my prior military service?

Yes, you may later repurchase the entirety of your military service if you receive a refund for the prior service credit you have already purchased as part of a refund of your FSPS contributions.

Is military academy service creditable in my FSRDS/FSPS annuity?

Service as a midshipman at the U.S. Naval Academy; a cadet at the U.S. Military Academy; a cadet the Air Force Academy; or a cadet at the U.S. Coast Guard Academy is creditable as military service. Moreover, service at a military academy counts in a FSRDS or FSPS annuity even if the individual is receiving a 20-year military retirement, provided he or she retired from the military as an officer.

Is military service creditable in my FSRDS/FSPS annuity?

In general, military service is creditable when the individual served on active duty and received an honorable discharge. If the individual was awarded military retired pay (based on a 20 year military retirement), the military service is not creditable unless the recipient waives the military retired pay. However, an individual who is awarded military retired pay under the provisions of Chapter 67 of Title 10 U.S.C. (at age 60 based on service in the reserves) can keep the military retired pay and still receive credit for the periods of active duty.

If an individual has more than 30 years of military service, the amount of military service in excess of 30 years is available for retirement credit. Moreover, if an individual's military service, after deducting the total whole years of service credit, is less than six months, the amount after deduction of the whole years of credit is available for retirement credit. For example, if one has 23 years and 3 months of active duty military service, 3 months is available for retirement credit.

Can I Receive Credit for Military Retired Pay Based on Reserve Service?

If an individual is receiving military retired pay under Section 1223 (formerly Chapter 67) of Title 10, U.S.C. based on 20 years of active duty/reserve service, (this benefit usually begins at age 60), the military service is available for retirement credit.

Can I Receive Credit for Military Retired Pay Based on a Combat-Incurred Disability?

If an individual is receiving military retired pay based on a service-connected disability, which is (a) incurred in combat with an enemy of the United States, or (b) caused by an instrumentality of war and incurred in line of duty during a period of war, the military service is available for retirement credit.

Can I receive credit for Service if I am receiving Veteran's Benefits?

Receipt of benefits from the Department of Veteran's Affairs (VA) does not deny one credit for military service in a retirement benefit; however, if one has waived military retired pay in favor of VA benefits, the military retired pay must also be waived for purposes of federal retirement benefits. This insures that the military retired pay will not be reinstated if the VA benefits terminate. (Note: employees who have waived military retirement pay in favor of VA benefits may be denied a guaranteed minimum disability computation.)

What happens to my Survivor if I die while receiving military pay?

If an individual dies as an annuitant and was receiving military retired pay under conditions that deny use of the military service, the military service is not available for credit in the spousal survivor annuity. If an individual dies as an employee and was receiving military retired pay under conditions that deny use of the military service, the military service is not available for credit in the spousal survivor annuity unless the surviving spouse executes a posthumous waiver of survivor's military retired pay.

In any event, military service after 1956 is not available for retirement credit unless any necessary deposits for military service have been made by the employee (prior to his or her civilian retirement) or by the surviving spouse.

Should I waive my military retired pay?

An employee, or survivor as explained, may waive receipt of military retired pay and, thereby, reinstate credit for the military service in the annuity. This waiver must be executed at the time of retirement (or death, in the case of an employee who dies in service), and documented in a letter directed to the military finance center that had been making payment of the military retired pay. A waiver of military retired pay that has been executed at the time of retirement may be revoked, prospectively, if the military service was not needed to establish title to the annuity at the time of retirement.

How do I waive my military retired pay? Language that would qualify for waiver of military retired pay follows:

I, (Name), Social Security Number, military serial number, hereby waive my military retired pay, effective the close of business (date of retirement) so that it may be credited in my Foreign Service Retirement annuity.

Some retired military personnel may be required by the Department of Defense (DOD) to continue participating in a Survivor Benefit Plan, in conjunction with the military retired pay, even if the primary benefit to the retired soldier or military officer has been waived. This is particularly true if one has not elected a spousal survivor annuity under FSRDS/FSPS. Requirements for continuing participation in the SBP are a matter that will be determined solely by DOD.

Is military service in the Reserves creditable to my FSRDS/FSPS annuity?

Inactive service in the Reserves is not creditable for FSRDS or FSPS Benefits. Active service in the Reserves is creditable.

Service in weekly or biweekly training periods for which a reservist receives pay but not allowances is not considered active duty and is, therefore, not creditable.

Service during annual 15-day training periods is considered active duty, and is therefore, creditable.

When an individual is on LWOP from a civilian position to perform active duty in the Reserves, the service counts as civilian, rather than as military, service. An employee cannot receive double service credit for the same period of time.

Is National Guard service creditable in my FSRDS/FSPS annuity?

In general, service in a state National Guard unit is not creditable unless the state National Guard unit is placed under federal control and performed under a "call" by the President, under authority of Section 233(d) of the Armed Forces Reserve Act of 1952, or under title 10 of U.S. Code (link). National Guard service, even if performed by a federally recognized unit, is not creditable unless it meets the qualifications listed above. Active service of a National Guard member that is recorded on a DD 214 shall be deemed to be Federal service unless there is clear evidence to the contrary.

Examples of National Guard service which qualify for retirement credit include the following "calls" issued by the President:

9/24/1957	Arkansas/E.O. 10730
9/30/1962	Mississippi/E.O. 11053
4/5/1968	D.C./E.O. 11403
6/11/1963	Alabama/E.O. 11111
4/7/1968	Illinois/E.O. 11404
9/10/1963	Alabama/E.O. 11118
4/7/1968	Maryland/E.O. 11405
3/20/1965	Alabama/E.O. 11207
7/24/1967	Michigan/E.O. 11364

National Guard drills and field exercises do not count for retirement.

Is ROTC service creditable in my FSRDS/FSPS annuity?

Service in the Naval Reserve Officers Training Corps is not creditable unless the individual is ordered to active duty or training duty (including summer cruises) as a member of the Naval or Marine Corps Reserves.

Service in the Army Reserve Officers Training Corps is not creditable unless the service is performed after 10/13/64, the effective date of P.L. 88-647, AND the individual is ordered to active duty or training duty as a member of the Army Reserves.

Reemployment

What are the rules governing reemployment of Foreign Service annuitants by the Federal government?

Foreign Service employee annuitants who are reemployed in any Federal Government position may be subject to a reduction or termination of their annuity. Effective January 1, 1987, Section 824 of the Foreign Service Act of 1980 was amended (link?) (1) to suspend payment of a Foreign Service annuity during the period when an annuitant is reemployed in a Government appointive or elective position on a full-time basis; and (2) to allow an annuitant the option, when reemployed on a part-time, intermittent, or temporary basis, to receive annuity so long as the annual base earnings and annuity received do not exceed in any calendar year the greater of either (a) the full time annual basic pay of the reemployed position, or (b) the salary of the annuitant at time of retirement from the service.

In the event you are reemployed on a part-time, intermittent, or temporary basis, you must notify the Office of Retirement, HR/RET, Room H-620, SA-1, Washington, DC 20522-0108 and make an election to preclude the termination of your annuity when notification is received of your reemployment. If you elect to continue your annuity, you are entitled to the salary of the position in which reemployed plus as much of your annuity which does not exceed, in any calendar year, the full-time basic pay of the reemployed position or your salary at the time of retirement, whichever is greater. Upon termination of reemployment, payment of your annuity resumes in full. If reemployed on a full-time basis, payment of annuity is suspended and the reemployment service is covered service under the rules of the retirement system under which the appointment is made. If the reemployed annuitant becomes covered under the same retirement system from which the annuity is suspended (Foreign Service Retirement or Foreign Service Pension Systems), the annuity will be redetermined upon termination of the reemployment. If reemployed annuitant becomes covered by another contributory retirement system from Government employees, the annuitant shall be entitled to benefits under the rules of that system. In addition, the annuitant shall be entitled to the resumption of payment of the annuity suspended by reason of the reemployment.

While the Foreign Service Act and Table 8, FPM Supplement 296-33, requires that the employer of a reemployed Foreign Service annuitant advise the U.S. Department of State, Office of Retirement, of the reemployment by furnishing copies of the personnel actions relating to the reemployment, annuitants themselves are urged to also advise the Office of Retirement of their reemployment. Annuitants are reminded that reemployment can have an effect on their health and life insurance premiums. The Act provides that any annuity overpayment is to be recovered from any salary or annuity due the Foreign Service annuitant.

Are payments to former spouses, whether by statute or court order, considered as retired annuitant's income under the salary/annuity limitation?

Yes, any payment to a former spouse that reduces the amount of annuity payable to the retired annuitant, or any deduction from the gross amount of annuity (for alimony, child support, etc.) is considered income of the annuitant for purposes of Section 824 of the Foreign Service Act of 1980, as amended . Section 824 of the Foreign Service Act is the provision that addresses the salary/annuity limitation for Foreign Service annuitants.

Reductions in the basic annuity, which are factored in computing the gross annuity payable to a retired employee, are not considered income of the annuitant. For example, if the annuity were reduced by a factor of 10 percent to provide a survivor benefit, the amount of the reduction would not be a considered in the annuitant's income. Likewise, if the annuity is reduced for an unpaid deposit, the rate of annuity after reduction for the unpaid deposit is the amount used in determining post-retirement income. The Section 824 definition of income does not apply to income tax.

Are there any limitations on the reemployment of Foreign Service annuitants?

Yes, if an FSRDS/FSPS annuitant is reemployed under a full-time civil service, Legislative or Judicial Branch appointment, or a Presidential appointment (other than a part-time, intermittent or time-limited appointment) payment of the employee's annuity terminates. At the conclusion of the appointment, payment of the annuity resumes, together with intervening cost of living adjustments (COLAs) applicable during the period of reemployment.

Can a retired family member at post be hired into a Locally-Engaged Staff position under the Personal Services Agreement (PSA-Plus) without any impact on his or her annuity?

Contracts and agreements do not impact a Foreign Service annuity.

Does reemployment affect my lump sum payment of annual leave?

The Lump Sum Payment for Annual Leave is paid in advance and is credited "as if used." The start and end dates of "as if used" are the day after your retirement until the leave hours are exhausted.

- If you are immediately reemployed in a leave-earning position (most positions, other than WAE), the lump sum payment of annual leave is deferred until you separate from that leave earning position.
- If there were a break in service between retirement and the effective date of reemployment in the leave earning position, you could receive a lump sum payment of annual leave covering the break in service, but none beyond that. The time would be deducted from the total time available to be paid as if used. For example, if you retired 9/30/05 and had three months of accumulated annual leave to be paid out in a lump sum, and you were reemployed in a leave earning position 12/1/05, you could only receive a lump sum payment representing two months of annual leave immediately. Payment of the other month of annual leave would be deferred until you separate from the leave earning position.

Does the limit on total compensation during reemployment change over time as the salary for the position is increased?

Yes, the employee's salary at the time of retirement is not adjusted for inflation, but the full-time salary of the position in which one is reemployed will increase over time. Usually, if an employee is recently retired, the salary at retirement will be the limiting factor in computing the cap in total compensation, but the full-time salary of the position becomes more important as time progresses.

For how long is my security clearance valid once I retire?

Security clearances are valid for five years from the date last updated. However, security clearances in retirement are only updated if the retiree is working WAE or has one of the new retiree ID cards. Security clearances are held by the bureau with whom the WAE is registered. Anyone who has been off the rolls for 2 years (no employment) cannot have the clearance revalidated even there is still time left on the 5 clearance year tranche. After 2 years without working, DS requires resubmitting a DS 86 and starting over again.

Persons wishing to work WAE must be on a specific Bureau roster. That Bureau will cover the costs of periodic updating of the medical and security clearances.

You can check your clearance dates by emailing DS at clearance@state.gov.

For purposes of calculating how many WAE hours I can work in a calendar year, is the Annuity (Social Security) Supplement component of my annuity included in the difference between my pay at the time I retired and my annuity?

Yes. The Social Security Supplement component is an integral part of your annuity, and as such, needs to be included in calculating how many WAE hours you may work.

How are intermittent, part-time and temporary appointments defined? What constitutes employment on a WAE or "when actually employed" basis?

- An intermittent, When Actually Employed (WAE) appointment is an appointment without a regularly scheduled tour of duty.
- An appointment is considered part-time when the regular tour of duty is less than a full-time appointment of 40 hours per week.
- A temporary appointment is an appointment that is less than permanent or career in nature, usually for a period not in excess of one year, although some temporary appointments may exceed one year.

How do I obtain a copy of my earnings and leave statement when I am employed on a WAE (When Actually Employed) basis?

You can access your earnings and leave statements through Employee Express at http://www.employeeexpress.gov on the internet. The process is the same one you used to access your earnings and leave statements before you retired.

On Employee Express, you will be asked to enter your Social Security Number (SSN) and a Personal Identification Number (PIN) issued by the Office of Personnel Management (OPM). You can change your PIN the first time you log on. Remember, this PIN is not the same one you use to access your monthly annuity statements through Employee Express.

If you do not know your personal identification number (PIN), then you should go to http://www.employeeexpress.gov and click on "Lost or Forgot PIN" and request a new PIN by mail. Please note that when you are asked to select your agency you should select 'Department of State.'

The address you provide on the "Lost or Forgot PIN" page must match the address Human Resources has on record for you.

If you wish to know how much you can earn as a WAE (when actually employed) employee before you reach your salary/annuity limit, you can request an audit from the Retirement Accounts Division. Send your request to Payhelp@state.gov.

How much will I earn as an Intermittent (WAE) employee?

Some annuitants are surprised to learn that they will be re-hired at a lower grade level than the one they had reached by the time they retired. The practice varies from bureau to bureau, but generally, if you retired as an FSO-1 you may be hired as a GS 13 and if you retired as a senior officer you could be hired at grade GS 14 or 15. At least one office hires annuitants at the GS-18 level.

Your base salary rate may be lower, but your net earnings may actually be higher than they were before you retired because there are fewer deductions. No retirement or TSP contributions, for one. The cost of your health and life insurance coverage is deducted from your annuity payment. However, you will have income tax withheld from your earnings as well as contributions to Social Security and Medicare.

If I am employed on a WAE basis, how do I find out exactly what the limit on my combined salary and annuity is?

You can send a request for this information to the Retirement Accounts Division (RAD) in Charleston via e-mail to Payhelp@state.gov. RAD will send you an audit report that lists your salary at retirement, your reemployment salary, and the amount you can earn by tax year. They will provide you with a readout of your earnings to date and calculate how much you still can earn without exceeding your limitation.

Amounts paid for a night differential, post differential, danger pay, prior year adjustments and lump sum payments of annual leave will be deducted from gross earnings. Active duty military pay does NOT count against the income ceiling in Section 824 of the FS Act.

In the event you are paid more than your ceiling permits, RAD will seek recovery of the overpayment by withholding the amount involved from the salary payable to a reemployed participant or from any other moneys, including monthly annuity payments.

If I exceed the earnings limits for the annuity supplement in one year and, as a result, do not receive it in the subsequent year, would this, in effect, increase the number of WAE hours I could work in the subsequent year because I would not be receiving the supplement?

Yes, it will reduce your Department income/salary level under the pay cap level. You remain limited in terms of the number of hours you may work, but you may work more hours before you reach the pay cap.

Is there any way to avoid termination of Foreign Service Retirement benefits and still work after retirement?

Benefits may be continued, subject to the cap on total compensation, when the annuitant is reemployed in Federal service on a part-time, temporary or intermittent basis. Employment in a private company or on a personal services contract (PSC) does not trigger suspension of one's FSPS or FSRDS annuity, but payment of the supplement to FSPS annuitants may be terminated if the annuitant's earned income (from any source, but not investment income) exceeds a specified amount.

What are the exceptions to penalties for reemployment?

The Under Secretary for Management may waive the provisions of Foreign Service Act governing reemployment (other than recall) on a case-by-case basis for an annuitant reemployed on a temporary basis, but only if, and for so long as, the authority is necessary due to an emergency involving a direct threat to life or property or other unusual circumstances. This authority was used, for example, to employ annuitants without penalty in the wake of the terrorist attacks of September 11, 2001. If such a waiver is approved, the reemployed annuitant is not considered a Federal employee for retirement purposes. This means that when a waiver is in effect, the employee does not get retirement credit or TSP benefits during such period of reemployment.

What are the limits on WAE employment?

When working on a WAE basis, you must abide by certain limits on the amount you can earn and the number of hours (1,040) that you can work. If you don't, your annuity may be suspended.

The limit on your salary + annuity is on a calendar year basis and the limit on the number of hours you can work is by your appointment year. The appointment year is not the same as the fiscal year. It is the twelve months starting the day you are sworn in as a WAE employee.

What do I need to do to sign up for employment on a WAE (when actually employed) basis?

Practices vary from bureau to bureau, but you should be prepared to provide the executive office of your home bureau with your resume, medical clearance, security clearance, financial disclosure statement, and your most recent personnel action. (When you go through the retirement process be sure to inform DS and MED that you intend to continue working so they can annotate your records.)

Your employment must be cleared by the Legal Advisor's Office and approved by the bureau's Front Office. You may be able work in other bureaus through a transfer of labor agreement if your home bureau does not object. Some bureaus do not condone this practice because they believe employment outside the home bureau could lead to a conflict of interest.

What does an employee have to do once reemployed?

Any Federal Department, agency or Branch of Government (including the Legislative and Judicial Branches) which reemploys a FSRDS or FSPS annuitant, must notify the Department of State, Office of Retirement, 2401 E Street N.W., SA-1, Room H-620, Washington, D.C. 20522.

It must also send the Office of Retirement a copy of the Notification of the Personnel Action (SF 50) and take other appropriate actions, as directed by HR/RET, including salary reduction.

What happens after I am approved by a bureau for WAE employment?

Once you have been approved, a process that can take several weeks, you must be sworn in as a civil servant. Your terms of employment will specify the rate at which you will be paid.

What happens if an employee is recalled to the Foreign Service? Does that service count toward retirement or not?

If a Foreign Service annuitant is recalled (under Section 308(a) of the Foreign Service Act), the annuity is suspended, and the period of recall service will be subject to FSRDS, FSRDS Offset or FSPS retirement coverage. (If a retiree under FSRDS or FSRDS Offset elects FSPS coverage during recall service, the annuity is not adjusted when the recall period ends and the provisions of Section 824 of the Foreign Service Act apply.) Otherwise, if the recall lasts a year or more, the annuitant may elect a supplemental annuity. If the recall lasts five years, the annuitant may elect a recomputed annuity. If a recalled employee does not qualify for a supplemental annuity or recomputation of annuity, payment of the annuity resumes, and the employee may receive a refund of retirement contributions.

What happens if I exceed the salary+annuity cap? Will I lose my pension?

It is not hard to exceed the salary + annuity cap. Your salary and annuity may be increased by annual cost of living adjustments during the period you are employed which reduces the amount you can earn without penalty. If that happens, you annuity may be suspended or you may be asked to make restitution for an overpayment. If you think there are extenuating circumstances, you can appeal for relief from the Deputy Assistant Secretary, Global Financial Services, Bureau of Resource Management.

What happens to benefits payable to a former spouse if an employee's annuity is suspended?

Payment of an annuity to a former spouse will continue during any period of reemployment, recall or reappointment to the Foreign Service. The salary of a reemployed annuitant will be reduced by the amount of payments to the former spouse and deposited by the employer to the Department of the Treasury and credited to the Foreign Service Retirement and Disability Fund. The payments to the former spouse are considered to be the retired employee's income for purposes of the salary/annuity limitation in Section 824 of the FSA.

What happens to my security clearance when I leave my job?

Your clearance may be reactivated after separation from government service if you are not absent for more than two years.

What if an employee is reappointed after retirement? Does it affect his or her annuity?

If a Foreign Service annuitant is reappointed to the FS (under Section 308(b) of the Foreign Service Act), payment of the annuity is suspended, and the period of reappointment will be credited toward retirement. Upon termination of the appointment, the FS annuity will be recomputed.

What is the limit on total compensation during reemployment that triggers suspension of one's annuity?

In any calendar year, the sum of the employee's annuity and salary cannot exceed the higher of the salary at the time of retirement (unadjusted for inflation) or the full-time salary of the position in which one is reemployed. Compensation for this purpose includes annuity payments to a former spouse entitled to benefits under the provisions of the Foreign Service Act. Annuity payments to the retiree and the former spouse are included unless those payments were scheduled for receipt in a prior or subsequent year. Salary paid before retirement is NOT included in the cap.

What is the relevant time period for income during reemployment?

It is useful to note that the determining factor is whether the income was received during a particular period. The date the income was earned does not affect the limit. Payments that are normally payable on a given date are considered income even if the check was lost or otherwise not negotiated during the relevant calendar year.

What must I do to maintain my security clearance before and after retirement, and when I am reemployed?

A security clearance is a valuable asset for retiring Department of State employees wishing to return to the Department in a "When Actually Employed" (WAE) status or other capacity. Developments within the Bureau of Diplomatic Security (DS/SI/PSS) and the Bureau of Human Resources have made it possible to not only check the status of a clearance, but to clearly inform the employee of the necessary steps to complete the clearance process.

Check your security clearance before retirement. Prior to retirement, you should check the status of your security clearance through your Employee Profile via HR online on the Intranet. The level of your security clearance, the date clearance was granted and the date of your latest update should be displayed. If there are any mistakes found regarding your clearance on the profile, contact the DS/SI/PSS Customer Service Center (CSC) to request corrective action well in advance of the effective retirement date. Current Department employees may contact the CSC at their toll free number, 1-866-643-INFO (4636) or by e-mail at securityclearance@state.gov.

For information on the security clearance process and how to check the status of an investigation, check the DS Intranet site located at http://dsweb.state.gov/. It contains the answers to many security clearance questions. It also contains a "Periodic Reinvestigation Checklist" with all the forms required for your security clearance update. You might want to print out the checklist and forms to take with you and keep in your file with the old copies of your Standard Form 86, "Questionnaire for National Security Positions." This information will be useful for filling out future forms in the OPM electronic Questionnaires for Investigations Processing (e-QIP) system.

Checking your security clearance after retirement. If you plan to work as a Department WAE after retirement, you should notify your Bureau personnel officer before your effective retirement date. The Bureau will submit the appropriate forms to DS/SI/PSS indicating your change to WAE status. Upon making the transition to WAE status, you will be recognized as an employee within the shared HR and PSS databases. Your clearance will remain active and periodic reinvestigations will continue to be initiated through PSS.

If you don't anticipate returning to the Department as a WAE when you retire from the State Department, then your security file will remain in the possession of PSS for five years. After five years, the file is sent to the Regional Service Center or the Washington Records Center for an additional fifteen years, after which time it will be destroyed. After retirement from the Department of State, you may contact the PSS CSC directly to obtain information regarding your clearance. The information provided will be for the individual's use and will not be issued as a formal certification.

If at any time within 20 years of your retirement you want to go back to work and need a clearance for your new job, your new employer will send PSS the appropriate request forms and your file will be recovered from storage.

If you return to work for the Department of State, to include as a PSC contractor, PSS will review your security file to determine if your clearance can be revalidated. This can be done if your last periodic reinvestigation was completed within the past 5 years and you have not retired or otherwise separated from U.S. government employment for more than 2 years. The revalidation process is normally completed in less than two weeks.

If you are going to work for another USG agency or contractor, then PSS will retrieve your file and, at the request of the other agency or contractor, forward a copy of your information to that agency's investigative branch. In that case, the revalidation process will normally take longer than two weeks.

If you have been separated more than two years, you will have to fill out all the forms for your new employer, including the electronic SF-86. The new investigation performed by DS or other USG agency, will resemble a routine periodic reinvestigation (an investigation from the date of the last investigation to the present). If it is conducted by State it will take approximately 90 days to complete.

You can access the appropriate security clearance forms and learn more about the clearance process on the Office of Personnel Management website, http://www.opm.gov/extra/investigate/security-clearance.asp. Your employer may also give you an access password to fill out and submit these forms on "e-QIP," the new electronic Questionnaires for Investigations Processing system, which is a secure website that allows you to complete an store and electronic version of the SF-86 (http://www.opm.gov/e-qip/). It is important to include any prior clearance information in the paperwork, particularly the level of your clearance and the USG agency that granted it (for most of us, this would be Top Secret by State Department's Bureau of Diplomatic Security). This information will allow the USG agency processing your clearance to determine if your last investigation is still current or it you require a periodic reinvestigation before you are hired or rehired.

What types of earnings are considered in determining whether the limit on total compensation during reemployment is reached? What annuity payments are included?

Any annuity payment that is received, or scheduled for receipt, within a particular calendar year is considered income for purposes of the limit on total compensation. However, the lump-sum payment under the alternative form of annuity (AFA) is not considered income for this purpose. Locality pay is not factored into this computation unless actually received for a domestic assignment. Danger pay for foreign assignments is also excluded from the cap.

What types of income are included in calculations of the limit on total compensation during reemployment?

Any post-retirement salary income which is part of basic pay and which is received or scheduled for receipt within a given calendar year is considered income for purposes of the limit on total compensation. Lump sum payments of annual leave, salary differentials, etc. are not considered income for this purpose.

Reprinted Department of State Notice:

FAQ 'Post Retirement Employment' Ethics

Office of Origin: L
Announcement Number: 2008_04_145
Date of Announcement: April 29, 2008

You will want to be aware of the various restrictions that apply when you are seeking employment while a Department employee or after you leave the Federal Government if you should be considering leaving the State Department for employment elsewhere. Here is a general summary.

Seeking Employment

The ethics rules prohibit employees from acting on an official matter that would affect a person or an organization with which the employee is "seeking" or "negotiating for" employment.

You avoid 'acting on an official matter' by disqualifying or recusing yourself from the official matter and having the matter handled by another without recourse to you.

When you disqualify or recuse yourself, you should notify your supervisor and also may notify the Ethics Office in the Office of the Legal Adviser. It is better for such recusals or disqualifications to be in writing, but they may be oral.

Post-Employment

There will be several important restrictions on your post-employment activities. Some of these restrictions depend upon whether you are a regular or a 'senior' official.

All former Government employees are subject to a permanent ban on representing another in any particular matter before the United States Government in which the employee participated personally and substantially as an employee.

All former employees are also subject to a two-year ban on representing another before the U.S.G. on particular matters that were under their supervision during their last year in Government.

Former 'senior' employees are covered by additional restrictions, including a one-year cooling off period on representing another before the State Department, even if the former employee never worked on the matter and a one year ban from representing, aiding or advising a foreign government with the intent to influence a decision of a United States official.

The seeking employment and post-employment restrictions are complex, and applicability of these rules can vary based the facts and circumstances involved. For more information on these rules contact attorneys in L/Ethics for further guidance on seeking employment or post-employment restrictions at the Ethics Attorney Mailbox or 202-647-4646.

Where can I obtain information on salary/annuity limitations?

The Retirement Accounts Division can provide reemployed annuitants an audit with complete information on the amount of their annuity, the salary that has been earned to date and the limit on the total amount that can be earned without exceeding the salary annuity cap. The Foreign Service Act provides that any annuity overpayment is to be recovered from any salary or annuity due the Foreign Service annuitant. An annuitant can request relief from the Deputy Assistant Secretary of Resource Management (RM) if warranted. Information and queries regarding salary/annuity limitation status should be directed to the following address:

RETIREMENT ACCOUNTS DIVISION
U.S. DEPARTMENT OF STATE
1969 DYESS AVENUE, BUILDING 646B
P.O. BOX 150008
CHARLESTON, SC 29415-5008
TEL: (843) 308-5552 FAX: (843) 308-5494
TOLL FREE: (877) 865-0760

Resignations

If I'm resigning and not retiring, do I need to send any documents to the Office of Retirement to inform them of my resignation?

No. Your CDO (Career Development Officer) will send a copy of your letter of resignation to the Retirement Office. You should then discuss retirement benefits and contributions with a retirement counselor in HR/RET.

If I die after resigning from the Foreign Service, but before being eligible for a retirement annuity, will my spouse receive a survivor annuity?

For a participant in FSRDS who dies before becoming eligible for an annuity, a lump-sum benefit consisting of the deceased's unrefunded retirement contributions is payable to his/her beneficiary.

For a participant in FSPS who has 10 or more years of Federal service and dies after separation, but before being eligible for an annuity, a survivor benefit is payable if the employee did not take a refund of his/her retirement contributions. If the employee had not reached the MRA when separated, the survivor annuity will begin when the employee would have reached age 62 (age 60 if employee had 20-29 years of service); or, on the employee's MRA if he/she had 30 or more years of service. The annuity can begin sooner if the spouse is a parent of the children. If the employee had attained the MRA when separated (and had at least 10 years of service), the spouse receives ½ of the employee's accrued annuity beginning the day after death.

How do I determine if I am eligible for voluntary retirement or if I have to resign?

To determine your eligibility for voluntary retirement, see the "Comprehensive Retirement Information" on the Foreign Service pension systems on EBIS.

How is severance pay calculated under 3 FAM 6143?

Severance pay amounts to one-twelfth of your current annual salary for each year of service up to a maximum of one year's salary. If you are entitled to an immediate annuity under FSPS or FSRDS, however, you are not entitled to severance pay. FSPS employees with at least ten years of service, who are aged 55-57, receive a reduced FSPS annuity (under the FERS formula) in lieu of severance pay. See 22 USC 4009(a).

How would my retirement benefits be affected by converting from Foreign Service to Civil Service?

The short answer is that, usually, you would have to work longer and receive a smaller annuity if you switched to the Civil Service. How much longer and how much lower depends on your retirement coverage. If you are covered by FSRDS, your new coverage would be CSRS. If you are covered by FSRDS Offset, your new coverage would be CSRS Offset. If you are covered by FSPS, your new coverage would be FERS.

Under FSRDS and FSRDS Offset, you can retire at age 50 with 20 years of service or at age 60 with 5 years of service. Under those plans, your annuity would be 2.0% of the high-three average salary for each year of service. Under CSRS and CSRS Offset, you can retire at age 55 with 30 years of service, at age 60 with 20 years of service and at age 62, with 5 years of service. Under the CS plans, your annuity would be 1.5% of high- three average salary for each of the first five years of service, 1.75% of high three average salary for each of the next 5 years of service and 2.0% of high three average salary for each year of service in excess of ten. Thus, you may have to work longer and your overall annuity would be lower by 3.75% of high average salary, the same as losing credit for almost two years of service.

There may be additional drawbacks. If you were working overseas under a limited FS appointment, subject to CSRS or FERS coverage, your average salary would not be based on virtual locality pay, as it would be under FSRDS, FSRDS Offset, or FSPS. You could also lose any extra service credit for unhealthful post service that you may have received under FSRDS or FSRDS Offset.

The only possible benefits to switching are: (1) your annuity might increase under CSRS or CSRS Offset if you have 5 years of congressional service or (2) if you have more than 35 years of service. {The cap on FSRDS benefits (except law enforcement FSRDS benefits) is 70% of high three average salary, plus sick leave; the cap on CSRS benefits is 80% of high three average salary, plus sick leave.}

Under FSPS, you can retire at age 50 with 20 years of service, at age 62 with five years of service, or at the Minimum Retirement Age (MRA =55-57) with ten years of service. If you meet the 50/20 requirements your annuity is 1.7% of high-three average salary for each of the first 20 years of service and 1.0% thereafter. Otherwise, your annuity is 1.0% of high-three average salary for each year of service, and your annuity is reduced by 5% for each year under 62.

Under FERS, you can retire at the MRA with 30 years of service, at age 60 with 20 years of service, at age 62 with 5 years of service, or at the MRA with ten years of service. Under FERS, your annuity is 1.0% of high three average salary for each year of service, unless you retire at 62 with 20 years of service, in which case it is 1.1% of high three average salary for each year of service. The MRA age reduction of 5.0% for each year under 62 applies, unless you have 30 years of service. Thus, your FERS time would usually be computed at the 1.0% rate, unless you are retiring under FERS law enforcement, causing a severe reduction to your annuity.

If you are vested for FSRDS or FSPS retirement, it may benefit you to retire under those plans to lock in your benefits at a higher rate.

I am resigning from the Foreign Service. What forms do I need to complete?

When an employee decides to resign, s/he should contact his/her Career Development Officer (CDO) in HR/CDA (Office of Career Development and Assignments in the Bureau of Human Resources). The CDO will provide the employee with a resignation packet consisting of the following forms:

- Resignation/Voluntary Retirement Checklist
- Resignation Address Form
- Foreign Service Resignation Questionnaire
- Resignation/Voluntary Retirement and Continued Service Obligations.

The employee must also complete and submit an electronic Form OF-126, available on HR Online.

If you want to continue your health insurance through the Federal Employees Health Benefits (FEHB) under the Temporary Continuation of Coverage (TCC) Program, you must complete SF-2809. That form must be submitted within 60 days of your date of separation from the Department. Please send your TCC application materials to the Office of Retirement, 2401 E St. NW, Room H-620, Washington, DC 20522.

Which office should I contact in HR about my resignation?

First, you should contact your CDO in the Career Development and Assignments Office (HR/CDA). Your CDO:

- Requests from you and acknowledges receipt of the Letter of Resignation, and forwards it to the Director General and the Office of Retirement.

- Completes an SF-50 (Notification of Personnel Action) or a TMFOUR travel message in lieu of an SF-50.
- Sends a copy of your resignation letter to the Office of Retirement.

You should also contact the Office of Retirement (HR/RET) at RETServices@state.gov or 202 261-8960 to set up an appointment for retirement counseling, once the resignation process has begun.

How do I get a record of my retirement contributions while I was employed?

Send your request to PayHelp@state.gov. You will receive a contributions letter from the Retirement Accounts Division (RAD) by January 31 of the year after you retirement. You can also use this information to compute the tax-free portion of your annuity.

What benefits do I keep if I resign?

TSP and FEHB:

- Your TSP funds can be withdrawn at any time, rolled into an IRA, or left alone.
- Your FEHB health benefits will terminate on the last day of the pay period in which you separate from Federal service. However, there are two exceptions:
- You may qualify for a 31-day Temporary Continuation of Coverage (TCC) at no cost to you for conversion to a non-group (private) contract.
- You may also have the right to continue your FEHB coverage for up to 18 months after your separation instead of converting to a non-group contract. You will be responsible for paying the full amount of the premium plus a two percent administrative charge.

FSPS Resignations:

- If you have less than five years of civilian service, you can elect a refund of FSPS contributions, but you cannot redeposit that refund and reinstate credit for the service if you are reemployed in the Civil Service or the Foreign Service. Alternatively, you can leave your FSPS contributions in the fund and credit them towards a subsequent FERS or FSPS annuity.
- If you have five but not ten years of service, you can elect a refund of FSPS contributions (explained above) or a deferred annuity starting at age 62, but you cannot redeposit that refund and reinstate credit for the service, if you are reemployed in the Civil Service or the Foreign Service..
- If you have ten years of service (including five years of civilian service), you can elect a refund of FSPS contributions (explained above), or a deferred annuity commencing as early as the Minimum Retirement Age (55-57), subject to an age reduction of five percent for each year you are under age 62. Alternatively, you can elect a deferred annuity at age 62, without an age reduction.
- If you have at least ten years of civilian service and die before becoming eligible for a deferred annuity, your spouse or former spouse may be eligible for a survivor annuity. (See Section 861€ of the Foreign Service Act of 1980.)

FSRDS Resignations:

- If you have less than five years of civilian service, you can elect a refund of FSRDS contributions. You can redeposit that refund and reinstate credit for the service, if you are reemployed in the Civil Service or the Foreign Service. Alternatively, you can leave your FSRDS contributions in the fund and credit them towards a subsequent FERS or FSPS annuity.
- If you have five years of civilian service, you can elect a refund of FSRDS contributions (explained above) or a deferred annuity starting at age 62.

- If you are involuntarily separated and have at least five years of civilian service, and leave your contributions in the Fund, and die before age 60, your surviving spouse may be entitled to a survivor annuity. (See Section 609(b) of the Foreign Service Act of 1980.)
- If you separate voluntarily, but die before becoming eligible for a deferred annuity, your spouse or former spouse will not be eligible for a survivor annuity. S/he would be able to obtain a refund of your retirement contributions.

What is Discontinued Service Retirement?

Schedule C and non-career SES employees serve at the pleasure of the agency and can be asked to resign at any time. A resignation is qualifying for discontinued service if an employee submits his or her resignation in response to a written request. The separation is not qualifying for DSR if it is for personal cause.

When is the deadline to elect Temporary Continuation of Coverage (TCC) of my FEHB health benefits after I resign?

Employees separating on a voluntary basis are notified by their bureau or office within 61 days after regular FEHB enrollment terminates. The employee has 60 days after separation or receipt of notification from the agency in which to submit an election of Temporary Continuation of Coverage (TCC) for his or her enrollment in the FEHB program.

Where can I find more information about resignation?

More information about resignation can be found in the following documents on the HR/CDA (Office of Career Development and Assignments) website and you can also consult with your CDO:

- Resignation Procedures
- Continuing Service Obligations
- Resignation Checklist
- Resignation Address Form
- Resignation Questionnaire

Retirement Forms

Where do I find the forms I need to retire under FSPS? Under FSRDS?

State employees should access EBIS at HR Online for comprehensive information on retirement. Once you are ready to retire go to the e-Retirement module on EBIS. You will be asked a number of questions; the system then pre-populates your answers on the forms required by your own retirement system. You can print out your forms for your records before transmitting your application electronically. Employees from other agencies can find all required forms at: www.rnet.state.gov.

All employees must sign and submit up to three forms with the original signature, to you agency retirement counselor. Your retirement counselor will advise you which forms pertain to your situation. [These forms are: SF-2823 FEGLI Designation of Beneficiaries; DS-5002 Designation of Beneficiaries for Retirement; and, if the employee is electing less-than-the-maximum survivor benefit for a spouse, the employee and the spouse must sign the JF-37 and have it notarized.] State employees should scan/e-mail or Fedex these forms to their HR/RET retirement counselor.

Do I need to complete a new Direct Deposit form for my annuity? I intend to have this deposited into the same bank account that my pay as an employee is deposited.

Yes, you must submit a new Direct Deposit form. Your annuity is paid from the annuity payroll, not the salary payroll.

I'm opting for maximum survivor benefit for my spouse. Does she need to complete the DS-5008 Election of Less than Maximum Survivor benefit?

No.

I'm retiring on an involuntary basis - TIC - under the FSPS (with a component from the FSRDS). Am I eligible for the Annuity Supplement? (DS-5035 FSPS Annuity Supplement)
All FSPS annuitants are eligible for the annuity supplement, subject to the annual earnings limitation.

What event code should I use on the SF-2809 FEHB Election Form? I'm simply rolling over in the same plan, at the same level. I'm currently having premiums deducted pre-tax, but understand I won't be eligible for this as an annuitant.
If you are not changing your election, you do not need to submit this form.

Employees of other Foreign Affairs agencies should include the signed originals in the retirement package they submit to their agency HR office.

Retirement Planning

I entered the Foreign Service late in my career and will not be able to complete 20 years of service before reaching the mandatory retirement age of 65. Will I still qualify for an annuity?
Late entrants into the Foreign Service can certainly qualify for a small annuity, even without 20 years of service. See the information on age and length of service requirements for FSPS annuities and on annuity computations under 'Comprehensive Retirement Information,' in EBIS and at: www.Rnet.state.gov.

Minimum length of service is five years. - Under FSPS, an employee would need a minimum of five years of service to qualify for an annuity at age 62. If an employee separates from the Foreign Service before reaching age 62, he or she could defer commencement of an annuity but could not continue to participate in the Federal Employees Health Benefits program.

You may also qualify for an annuity with ten years of service depending on your age. An FSPS employee with a minimum of ten years of service could retire upon reaching his or her minimum retirement age (MRA). The MRA depends on the year of birth (see FSPS age and length of service requirements). Retirement under MRA+10 will be subject to at age reduction if the retiree has not reached the age of 62.

Maximize your annuity by remaining in the Foreign Service until you reach age 65. In order to maximize your annuity if you are not able to serve 20 years before reaching the mandatory retirement age of 65, you should plan to retire on the last day of the month in which you turn 65. If you have less than 20 years of service under FSPS, your annuity will be computed using a factor of 1 percent for each year of service, not/repeat not 1.7 percent per year of service, UNLESS you retire mandatorily for age.

Are Presidential Appointments Subject to Mandatory Retirement at Age 65?
No. If an officer serving in a presidential appointment and turns 65 during the appointment, then the appointment trumps the mandatory retirement requirement due to age. Upon the officer's relinquishment of duties of his/her appointment, he/she must retire at the end of the month in which the appointment expired.

Are there any disadvantages to electing a deferred annuity?
Yes. One of the requirements to continue your enrollment in the Federal Employees Health Benefits program (FEHB) is that you are entitled to retire on an immediate annuity. Thus receiving a deferred annuity will not allow you to continue your enrollment in FEHB.

However, if you were covered under FERS or FSPS with ten years of service and had reached the Minimum Retirement Age (55-57), you could elect an immediate annuity with age reduction or a deferred annuity without age reduction. In that case, if you elect the deferred annuity, you could reenroll in the FEHB program when the deferred annuity begins.

Another disadvantage is that your annuity remains at a reduced level compared to what you would have received if you had continued working. When you separate, if you choose to defer your annuity until you reach the age of 62, your annuity is calculated based on your high-three average earnings prior to separation. It is not based on what your high-three average salary would have been if you had remained on active duty. Cost of living adjustments do not commence until you start receiving your annuity at age 62.

If I die after resigning from the Foreign Service, but before being eligible for a retirement annuity, will my spouse receive a survivor annuity?

For a participant in FSRDS who dies before becoming eligible for an annuity, a lump-sum benefit consisting of the deceased's unrefunded retirement contributions is payable to his/her beneficiary.

For a participant in FSPS who has 10 or more years of Federal service and dies after separation, but before being eligible for an annuity, a survivor benefit is payable if the employee did not take a refund of his/her retirement contributions. If the employee had not reached the MRA when separated, the survivor annuity will begin when the employee would have reached age 62 (age 60 if employee had 20-29 years of service); or, on the employee's MRA if he/she had 30 or more years of service. The annuity can begin sooner if the spouse is a parent of the children. If the employee had attained the MRA when separated (and had at least 10 years of service), the spouse receives ½ of the employee's accrued annuity beginning the day after death.

Does the State Department have a voluntary contributions program? If not, could one be instituted?

The voluntary contributions program only applies to employees in the Civil Service Retirement System. There had been a voluntary contributions program for employees in the Foreign Service Retirement System, but the law was amended many years ago to eliminate it because of a lack of interest in the program. Restarting the program now would require legislation.

How can I access my Retirement File?

As an active employee, you can view your Retirement File through your HR Online account. This can be done by selecting OPF from the Employee Information box on the main HR Online screen and then selecting the Retirement button on the left side of the screen for your Retirement File. Questions about your Retirement File should be directed to RETServices@state.gov.

How can I determine if I will qualify for Retirement?

Please see section entitled 'Age and Length of Service Requirements' for your pension system under Comprehensive Retirement Information in the EBIS Information Library or on www.Rnet.state.gov.

How do I know which retirement system I'm in?

If you look on your earnings & leave statement, under deductions, you will see your bi-weekly contributions to retirement. If they are accumulating under FERS, you are covered by the Federal Employees Retirement System. If they are accumulating under FSPS, you are covered by the Foreign Service Pension System. Other employees may be covered by the "old" Civil Service Retirement System (CSRS) or the "old" Foreign Service Retirement and Disability System (FSRDS).

Your retirement plan is also identified on any "Notification of Personnel Action" (SF 50) that pertains to your appointment. See box 30, "retirement plan." If it says FICA, you are only contributing to Social Security. If it lists one of the acronyms for your retirement plan, CSRS or FERS for Civil Service, or FSPS or FSRDS for Foreign Service, you are contributing to that plan.

In a few cases, notably older SF 50s, you may see a retirement code listed instead of the acronym for your retirement plan. For example:

1 = CSRS (abbreviated as CS)
2 = FICA
3 = FSRDS (abbreviated as FS)
4 = no retirement
5 = DC Police and Firefighters Retirement System
6 = law enforcement.
C = CSRS Offset/FICA
D = FSPS Law Enforcement/FICA
E = CSRS Law Enforcement/Offset/FICA
G = FSRDS Offset/FICA
H = FSRDS Law Enforcement Offset
K = FERS/FICA
M = FERS Law Enforcement/FICA
P = FSPS/FICA
R = Full CSRS and FICA
W = full FSRDS and FICA

I have decided to retire involuntarily on September 29 to receive the higher cost of living adjustment (COLA). How will my involuntary separation be documented in my records?

The only record of the involuntary separation will be in the Nature of Action Code shown on your Standard Form 50, Notification of Personnel Action. Since private sector employers rarely request this form, it is usuallly irrelevant to the hiring process. We recommend that retirees decide upon a retirement date that earns them the most money and not concern themselves with a technicality that only a seasoned Federal personnel officer could decipher.

If I retire under MRA + 10 retirement, when would my annuity commence?

The reduced annuity can begin right away if you retire at the MRA, with reductions for age, or your unreduced annuity can begin at 62. For example, if you retire at 58, your annuity would be reduced by 20%. If you resign at 58, and draw your annuity at 62, it would be paid without reduction.

What are the limits on the number of hours of annual leave you can accumulate before retirement?

Foreign Service employees stationed overseas can carry over a balance of 360 hours. Assuming they have 15 or more years of service the maximum balance they could accumulate is 568 hours. SFS/SES employees can carry over 720 hours into the new leave year so they could receive payment for up to 928 hours if they retire at the end of the last pay period of the year.

Should I make a redeposit of CSRS or FSRDS retirement deductions for which I received a refund of retirement deductions?

If the period for which the refund was paid ends on or before September 30, 1990, the best advice is to not pay the refund because you still get credit for the service without the redeposit. In this case, your annuity would be reduced by an actuarial factor. For example, if you owed $21,000, at age 55, there would be a reduction of about $96.00 a month from your annuity. If the period for which the refund was paid ends after 9/30/90, you should make the redeposit because if you do not do so, you would lose credit for the service in your annuity.

What are the eligibility requirements for a deferred annuity?

FSRDS: An employee in FSRDS who does not meet the criteria for an immediate annuity, but who has at least five years of service, may elect to receive a deferred annuity commencing at age 60.

FSPS: An employee in FSPS who does not meet the criteria for an immediate annuity, but who has at least five years of service, may elect to receive a deferred annuity commencing at age 62 or at the applicable Minimum Retirement Age (between 55-57 depending upon the year in which you were born). If you choose to receive your deferred annuity at the applicable Minimum Retirement Age, your basic annuity will be reduced by five percent for each year that you are under age 62, unless you retire with at least 20 years of service.

What is a Retirement File?

As an active employee, your Retirement File contains information pulled from your Administrative folder within e-OPF. The file includes documents such as health insurance forms, life insurance forms, beneficiary forms and TSP forms. When you retire, additional documents will be scanned and placed into the file. These documents will then be forwarded to HR/RET for Foreign Service Retirees. As a retiree your Retirement File will contain ALL of your retirement information.

What is my Minimum Retirement Age (MRA)?

The Minimum Retirement Age (MRA) applies to employees under FERS and FSPS. It is the earliest age that an employee can retire, under FERS or FSPS, if the employee is voluntarily separated with at least ten but less than 20 years of service. The MRA is also the age at which the earnings test applies for FS employees under FSPS who are eligible for the annuity supplement.

Your Minimum Retirement Age (MRA) depends upon the year of your birth. Certain types of FSPS and FERS retirement require you to meet such a minimum age. Consult the chart below to determine your MRA.

Minimum Retirement Age (MRA) Chart

Year of Birth	Minimum Retirement Age
Before 1948	55
1948	55 and 2 months
1949	55 and 4 months
1950	55 and 6 months
1951	55 and 8 months
1952	55 and 10 months
1953 - 1964	56
1965	56 and 2 months
1966	56 and 4 months
1967	56 and 6 months
1968	56 and 8 months
1969	56 and 10 months
1970 and later	57

What type of retirement planning is available to employees who are not yet eligible to attend the Retirement Planning Seminar?

There are two courses available six times a year to new and mid-career employees that may be helpful to their current and future retirement planning. The courses are each one-day and are embedded in the full Retirement Planning Seminar. Any employee is eligible to attend the course, with supervisory approval. The FSI Course Codes, course titles and links follow:

RV103 Financial Management and Estate Planning

http://
ghttp://fsi.state.gov/admin/reg/default.asp?EventID=RV103.

RV104 Annuities, Benefits and Social Security
http://fsi.state.gov/admin/reg/default.asp?EventID=RV104.

As a retiree, I was employed on an LNA (limited non-career appointment) for services overseas and FERS deductions were taken from my salary. How do I apply for a refund of those deductions?

Complete Form SF-3106 and send the form to the Bureau where you were employed if you have been separated 30 days or less. If you have been separated more than 30 days, forward the application to the following address:

Office of Personnel Management
Federal Employees Retirement System
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Can I get extra credit toward retirement for my service at an unhealthful post?

Yes, but you must meet two conditions, and they must be properly documented by the post where you served. You must have been assigned to an unhealthful post prior to February 16, 1990, and you must have elected to receive extra credit toward retirement instead of receiving the post differential. This applies to any American Foreign Service employee who received either a new assignment or an extension of a new assignment that was effective on or after February 16, 1990.

Does my retirement plan, FSRDS or FSPS, have any bearing on eligibility for extra service credit?

Yes, employees covered by FSRDS who elected to receive extra service credit must have ensured that their post certified and submitted OF -140, Election to Receive Extra Service Credit in Lieu of Post Differential, to the Office of Retirement, HR/RET. No extra service credit can be allowed if this form was not submitted.

Employees covered by FSPS were never eligible for extra credit for service at an unhealthful post, but those who transferred from FSRDS to FSPS will receive credit for any valid extra service credit election made while they were covered by FSRDS.

Can I retire under FSRDS or FSPS at age 50 with 15 years of service of civilian service and 5 years of military service for which I paid a deposit?

Yes, provided at least five years of civilian service was service in the Foreign Service.

How can I find out how much money is in my retirement account?

Send your request to PayHelp@state.gov.

I am in the Foreign Service Pension System (FSPS) and so I must retire on the last day of the month. However, my 50th birthday is on the first of the month. Can I retire one day before I turn 50? Or do I have to wait another month?

Yes, in the government for retirement purposes you reach retirement age the day before your birthday. You can retire at midnight of the day of your birthday and your annuity will commence the following day. For example, if you reach the age of 50 on December 1 you can retire on November 30.

I am in the Foreign Service. When will my annuity begin?

Once you have determined when you are eligible to retire, the best specific date to retire is the day before you are entitled to an immediate annuity. The date this entitlement begins depends on whether you will retire under FSRDS or FSPS and whether your retirement is voluntary, involuntary, or deferred. Here is a table indicating when payment of your annuity would begin.

Annuity benefits under FSRDS commence as follows:

- Voluntary Retirement
    - The FSRDS annuity of an employee who retires voluntarily on the last day of the month, or on the first, second or third calendar day of the month, will be effective on the day after retirement.
    - The FSRDS annuity of an employee who retires voluntarily will be paid on the first day of the month after the month in which the employee retires.
- Involuntary or Disability
    - The FSRDS annuity of an employee who retires involuntarily (based on performance, age, or time in class), or who retires on disability

will be effective on the day after retirement.

- Deferred Retirement
    - The FSRDS annuity of an employee, who leaves Federal service without title to an immediate annuity, will receive an annuity on the employee's 60th birthday.

Annuity benefits under the FSPS commence as follows:

- Voluntary Retirement
    - The FSPS annuity of an employee who retires voluntarily on the last day of the month will be effective on the day after retirement.
    - The FSPS annuity of an employee who retires voluntarily will be paid on the first day of the month after the month in which the employee retires.
- Involuntary or Disability
    - The FSPS annuity of an employee who retires involuntarily or who retires on disability will commence on the day after retirement.
- Deferred Retirement
    - The FSPS annuity of an employee who separates from federal service without title to an immediate annuity that begins upon separation from service will commence on the employee's 62nd birthday.
- MRA +10 Retirement
    - The FSPS annuity of an employee who separates from federal service with or without title to an annuity that begins upon separation from service will commence on the date on which the employee meets the age required for title to an annuity, or later (but not later than the employee's 62nd birthday), if the employee so elects.

If I retire from an overseas post and attend the FSI Job Search Program before retiring, will I be considered to have retired from a Washington assignment, or do I remain on the rolls of the losing post and retire from that post?

There is no reassignment action to Washington when an employee departs an overseas post for the Job Search Program and retires immediately afterward. The employee remains assigned to the same position number and organization code until retirement. The employee is paid full salary from the date of departure from post until the date of retirement. However, post differentials or other allowances terminate when the employee departs post.

If I TIC out during a rating year, but remain in Service until the end of the fiscal year, am I eligible to be reviewed for promotion?

No. Your TIC letter is sent after your final Board review. You are not eligible for promotion review after your TIC date.

When will I get my first annuity payment? What about my lump sum payment for unused annual leave? I'm in the Foreign Service.

It depends when you retire. If you are covered by FSPS and you retire on the last day of the month or if you are covered by FSRDS and retire either on the last day of the month or one of the first three days of the month, you qualify for an immediate annuity. That means that there will be no gap between the last day you earn your salary and the first day you starting collection your annuity. You will receive your last salary payment approximately two weeks after you retire. If you qualify for an immediate annuity your first payment will be on the first day of the following month. If you retire September 30, your FSPS or FSRDS annuity would be effective October 1. Your last salary payment would be made mid-October and first annuity payment November 1.

If you do not qualify for an immediate annuity, your annuity will be effective on the first day of the month following the month in which you retire and your first payment will be on the first day of the second month after you retire. So, if you retire voluntarily on September 15, your annuity would be effective October 1. You would receive your last salary payment around October 1, but first annuity payment on November 1, leaving a gap of two weeks.

Your lump sum payment for unused annual leave usually takes six to eight weeks to process. If you retire at the end of September you would probably receive your lump sum payment in November. If you retire at the end of December you would likely receive your lump sum payment in February. It would be calculated at a higher hourly rate than the one you were earning when you retired due to the effect of the annual cost of living adjustment.

When can I retire from the Foreign Service?

Eligibility for an immediate annuity is based on your age, length of service and/or performance. For voluntary retirement, for example, under either FSRDS or FSPS you must be at least age 50 with 20 years of service. Involuntary retirement is based on expiration of maximum time in class or expiration of a limited career extension under section 607 the Foreign Service Act, or relative performance under section 608, or a reduction in force under section 611. Mandatory retirement is based on age (maximum 65) and time in class. See the table below.

FSRDS/FSPS Retirement Eligibility

Voluntary:	FSRDS: FSPS: FSPS:	Age 50/20 years service* Age 50/20 years service* Age 55-57/l0 years service****
Deferred:	FSRDS: FSPS: FSPS (only):	Age 60/5 years service** Age 62/5 years service*** Age 55-57/10 years service****
Involuntary:	(Sections 607, 608, 611 and 8l3 of FS Act): FSPS (Only):	F0-1 and Above: FSPS & FSRDS are eligible for immediate annuity regardless of age and service. F0-2 and Below: FSPS & FSRDS are eligible for immediate annuity provided the age and service requirements for voluntary retirement are met at the time of the involuntary retirement. Any age/25 years service*
Mandatory:	FSPS (Section 8l2, FS Act):	Age 65/5 years service.

*Requires at least five years of service in the Foreign Service.

**An employee covered by FSRDS with five years of service is entitled to an annuity upon separation from service if then 60 or older.

***An employee covered by FSPS with five years of service is entitled to an annuity upon separation from service if then 62 or older.

****Minimum Retirement Age (MRA) eligibility provisions The FSPS annuity payable at age 55-57 (MRA) with a minimum of ten years of service is subject to an age-based reduction. The reduction is calculated as five percent for each year the annuitant is under age 62.

Who is eligible to attend the Foreign Service Retirement Planning Workshop?

Employees must be within five years of eligibility for voluntary retirement. Spouses are welcome to enroll by calling the FSI Transition Center on 703-302-7409. Management and Human Resources (HR) officers may find the information useful for counseling employees overseas. All employees attending the seminar are on duty status during the days they attend. Eligible employees who are under Traveling/Transfer orders to an assignment other than Washington, DC will be authorized per diem to attend the workshop.

Eligible employees who are under Home Leave/Return orders will be authorized per diem to attend the workshop. Per Diem questions should be addressed to the appropriate HR technician in the Bureau of Human Resources HR/EX/AD.

Employees who plan to attend the workshop while in the United States on R&R, Personal, or Official travel (other than Post Assignment Travel), may be authorized per diem. Per diem must be requested through the employee's Career Development Advisor (CDA).

Why should I attend the Foreign Service Retirement Planning Workshop?

It is a good idea to take the seminar so you can learn about:

- Your annuity;
- Financial and estate planning;
- Tax issues;
- Your health and well-being in retirement;
- Volunteer work;
- Continued employment; and
- Various other issues pertaining to retirement.

Experts in the various fields will answer questions during a week of sessions, held six times a year at the Foreign Service Institute.

Retirement Process

Are retiring Foreign Service employees required to have a medical exam prior to their last day of employment?

Retiring FS employees and family members are required to have a separation physical examination or to sign a waiver of medical claim form. They may indeed have their examinations at MED's clinic in SA-1. If employees live within a 50 mile area of Washington, DC, they are required to use MED's clinic for the separation exam. If they are outside of this area, they may have their own physician do the exam or if retiring from overseas, the embassy health unit in many (but not all) places can also do the exam.

How are FSN/LES retirement applications processed by the Department?

FSN retirement packages are sent from Post HR directly to Charleston payroll, which confirms leave, service time, etc. and then Charleston forwards the retirement package with copies of their payroll records to OPM.

How can I obtain a retiree identification card?

DS now issues all retiree ID cards. These cards will look like other State Department badges. Retirees with the new cards will have the same privileges as those with the current retiree ID card:

- A retiree ID card, exclusive of any other form of ID, can be used to obtain a HST/SA-1 Retiree Visitor Pass (RVP);
- As currently in practice, the RVP provides a retiree with limited unescorted access to HST's Foggy Bottom and 1st floor service areas, as well as the 3rd floor Library during normal business hours, Monday through Friday, except holidays;
- The same privilege applies at SA-1's HR/RET offices, Medical suites and service areas.
- Retirees can continue to sign in their legal spouse and or dependent(s). User instructions are printed on the back of the RVP.

Retirees who have in their possession an HR/RET-issued retiree ID card may go directly to HST DSIS Office, to complete Form DS-1838, at which time they will be processed for and issued the new retiree ID card.

Retirees without an HR/RET-issued retiree ID badge must complete Form DS-1838 at the Office of Retirement (HR/RET), 2401 E Street NW, Room H-620, SA-1, Columbia Plaza, Washington, D.C. 20522. A retirement counselor in HR/RET must sign off on the form to certify your status as a retiree. Then, you will be able to be processed for and issued the new retiree ID card from the DSIS office in HST.

Retirees must provide two forms of identification to the DSIS officer (Note: ID's that are typically used are a valid (not expired) DOS Personal ID Card, a state driver's license and/or U.S. Passport). The ID card will be issued with an expiration date of 5 years.

How do I start the retirement process?

All Department of State employees must use the e-Retirement component on EBIS to apply for retirement. The e-Retirement application allows you to fill out and submit your application for retirement electronically. To begin using the e-Retirement tool, you must be within 365 days of your first date of eligibility for a voluntary retirement. Once you begin using the e-Retirement tool, you will be guided through each section of the application. The tool will make sure you complete all of the sections of the application, as well as provide accurate information. Any information the system has on record will be automatically pre-populated. You can take as much time as you need to fill out your retirement application. All information entered into the tool is saved automatically for you. When you have completed the application you will be able to save and print out the application and then submit it to HR/RET for processing. If you would like to fill out a disability retirement application, you will need to contact your Bureau or Post HR office.

Once it is determined that you are eligible to retire, RET will transmit a memo to your CDO, who will bring your retirement to the Assignments Panel for action. The Panel's approval is the catalyst to send in your TM-2 and for your HR/EX Assignment Technician to process a travel authorization for you. Your HR/RET counselor will process your retirement application and your Technician will process your travel and shipment orders.

State employees who do not have access to HR Online, must first apply and be approved to retire by completing the form DS-5004, which you can retrieve from www.RNet.state.gov (forms). Your retirement counselor will advise on which other forms you need to complete.

How soon before retirement may I submit the required Termination Public Financial Disclosure Report, SF-278?

You may submit your final Financial Disclosure Statement two weeks before your retirement date. See instructions "For Termination Filers" at this link:http://ethics.state.gov/index.cfm?fuseaction=html.HTMLDisplay&WEBSITE_OBJECT_ID=DA362377-2CC8-48A3-8472-5A9857161BD8. Form is available on www.Rnet.state.gov.

I am departing post directly for my separation address, and would need to travel on my diplomatic passport (as would my spouse). After this final travel, must I submit the diplomatic passports to State for cancellation?

Yes. Send to:

Employee Service Center
U.S. Department of State, HST
Room 1252
Washington, DC 20522
202-647-3432

If I am being separated for Time-in-Class or Time-in-Service, do I have to complete all the paperwork to apply for retirement or are my separation and annuity automatic?
You must complete all the paperwork for retirement and submit it 90 days prior to the effective date of separation.

When will I get my first annuity payment? What about my lump sum payment for unused annual leave? I'm in the Foreign Service.
It depends when you retire. If you are covered by FSPS and you retire on the last day of the month or if you are covered by FSRDS and retire either on the last day of the month or one of the first three days of the month, you qualify for an immediate annuity. That means there will be no gap between the last day you earn your salary and the first day you start collecting your annuity. You will receive your last salary payment approximately two weeks after you retire. If you qualify for an immediate annuity your first payment will be two weeks later, on the first day of the following month.

So if you retire on September 30, your annuity under either FSPS or FSRDS would start October 1. You would receive your last salary payment mid-October and your first annuity payment November 1.

If you do not qualify for an immediate annuity, your annuity will be effective on the first day of the month following the month in which you retire and your first payment will be on the first day of the second month after you retire. So if you were to retire voluntarily on September 15, your annuity would start October 1. You would receive your last salary payment around October 1, but you would not receive your first annuity payment until November 1, leaving a gap of two weeks.

Your lump sum payment for unused annual leave usually takes six to eight weeks to process. If you retire at the end of September you would probably receive your lump sum payment in November. If you retire at the end of December you would likely receive your lump sum payment in February. It would be calculated at a higher hourly rate than the one you were earning when you retired, due to the effect of the annual cost of living adjustment.

If I plan to retire from overseas, will I be authorized time for consultations in Washington to complete processing my retirement? If so, will I be paid per diem?
Retirees are normally authorized three consultation days in Washington, DC en route to their separation address. No per diem can be paid for consultations if the residence for service separation is within the Washington metropolitan area. Eligible family members are not authorized consultations in connection with a separation order. They may travel via any route; however, reimbursement for travel expenses will be based on the cost of transportation from the employee's duty station to separation address only. If the employee's separation medical exam will be performed in Washington, DC it should be scheduled to take place during the consultation period.

What do I put on the OF -126 Residence and Dependency Report for my separation destination if I do not have an address in the United States? I plan to retire from overseas.
The OF-126 has now been automated and is available on HR Online. Your final separation address on the OF 126 can be anywhere in the United States and its territories, so officers who do not have a residence sometimes designate a hypothetical destination as far as possible from Washington.

The final choice must be made before the effective date of retirement and before travel orders are processed. No changes can be made after the last day in pay status, so you have until that point to amend your separation destination.

The address indicated in block 8 of the OF-126 is the location to which separation travel orders will be issued and is not necessarily the same as your correspondence forwarding address.

If your last duty station prior to retirement is Washington, D.C. and an address in the Washington, D.C. metropolitan area is listed in block 8, no separation travel orders will be issued. If you need further information on this topic, please send your question to HR-CDA.

What separation address should I put on my application to retire? I am not sure where I will end up living on a permanent basis after I retire.

Employees should select carefully the separation location when completing the final resident and dependency report, OF-126, as it cannot be changed after the last day in pay status nor once travel commences (i.e., the employee cannot travel from last duty station to Washington, D.C. for consultations, decide to change the separation address, and expect an amendment to the travel orders. That will not happen). Employees should take this fact into account when weighing their options. HR/CDA or HR/RET cannot suggest specific separation locations.

Employees who are unsure about where they will ultimately retire may select any location in the United States, to include U.S. possessions (except American Samoa, unless the employee meets the residency requirements for American Samoa), and travel and shipment of effects will be authorized to that location. Many employees, seeking to give themselves maximum flexibility, may assume that selecting locations such as Hawaii or Guam will be advantageous for cost-constructive purposes.

However, deviating from the authorized itinerary (i.e., authorized separation location, as chosen by the employee) will result in cost-construct travel and shipment of effects. Employees who cost construct travel are not eligible to use contract or government fares, nor can they use a business class authorization and travel via economy on a cost-construct basis. Additionally, the volatile nature of air fares can make it difficult to predict the relative cost to different destinations months in advance.

The time limitation for separation travel orders is calculated from the employee's last day in pay status. Orders are valid for 12 months if the final assignment was abroad, and they may be extended for six additional months (total time limitation-18 months). They are valid for six months if the final assignment was domestic, and they may be extended for 6 additional months (total time limitation 12 months).

Who pays for my Foreign Service retirement?

The Foreign Service Retirement and Disability Fund is the funding vehicle for the Foreign Service Retirement and Disability System (FSRDS or "old" system), the FSRDS-Offset plan, and the Foreign Service Pension System (FSPS or "new" system). The Fund is managed by the Department of State. The Social Security component of the FSPS pension plan is paid by the Social Security Administration.

