



**Defense Logistics
Agency
2012
Retirement Guide**

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DLA Human Resources Services Customer Account Team Contact Information

Columbus
 1-877-352-4762
 TDD- (OH Relay Service): 1-800-750-0750

Benefits

Phone: (614) 692-0204 DSN: 850-0204
 Fax: (614) 692-6004 DSN: 850-6004
 Email:
DHRSC.Benefits@dla.mil

New Cumberland
 1-888-352-3373
 TDD- (PA Relay Service) 1-800-654-5984

Benefits

Phone: (717) 770-6112 DSN: 771-6112
 Fax: (717) 770-5852 DSN: 771-5852
 Email: DHRS-N.INQUIRE@DLA.MIL

DOD Customers
 1-866-378-1171
 TDD- (OH Relay Service): 1-800-750-0750
 Email: DHRS-D.INQUIRE@DLA.MIL

Benefits

Phone: (614) 692-0233 DSN: 850-0233
 Fax: (614) 693-1674 DSN: 869-1674
 Email: DHRC-DDODHRBenefits@dla.mil

Items addressed in this guide should be thought about well in advance of retirement. For example, you should periodically consider what your health and life insurance needs will be in the future, or whether or not you should make any Post-56 military deposits or service credit payment for civilian service (temp time, refunded service), etc.

Information in this guide is subject to change. Employees are encouraged to visit the DLA Human Resources (J1) web site listed above often to become familiar with the federal benefits programs and to learn of any changes within the programs.

This guide is not intended to replace the need for retirement counseling with a qualified benefits counselor. A list of acronyms can be found on the last page to help you while navigating this document.



Are You Thinking about Retirement?

The decision to retire is one of importance and excitement. This guide will provide you with information that you need in order to make a smooth transition into retirement. Click: [Planning 5 Years Before Retirement](#) for frequently asked questions.

Early retirement planning and education are a very important part of the retirement process. Employees are encouraged to visit the [DLA Human Resources \(J1\) web site](#) often to learn more about retirement and other federal benefits. If you are unable to access the Internet, you must contact the DLA Human Resources Services office by telephone. Via the toll-free numbers cited on the previous page of this document. You can obtain general and personalized retirement information, request forms and documents by fax, and speak with a benefits counselor.

Many of the topics discussed in this guide, such as beneficiary designations and service credit payments, should be addressed periodically throughout your career. If you plan to retire within the next 12 months (or sooner) - now is the time to become familiar with the retirement process.

For all DLA civilian employees, retirements are processed through the [DLA Human Resources Services](#) offices in either Columbus, OH or New Cumberland, PA. We strongly suggest that you submit your retirement application package within **60-90 days** in advance of your retirement date. Remember, your timely submission will help ensure a timely first annuity payment. Please note that retirement is not an “electronic” process – you must complete a retirement application package and mail it to your servicing DLA Human Resources Services office.

Retirement Eligibility

You must meet the age and service requirements in order to be eligible for an immediate annuity (non-disability). Optional (Voluntary) Retirement	
CSRS/CSRS OFFSET	FERS
Age Years of Service	Age Years of Service
55 30	*MRA 10**
60 20	MRA 30
62 5	60 20
	62 5

* MRA – Minimum Retirement Age

**FERS age reduction under MRA +10 is 5% per year for each year under age 62

NOTE: Firefighters (FF), Law Enforcement Officers (LEO), and Air Traffic Controllers (ATC) may retire voluntarily under special retirement provisions if they meet the following age and service requirements:

- Firefighters/Law Enforcement Officers: If CSRS, age 50 with 20 years of FF or LEO civilian service. If FERS, age 50 with 20 years FF or LEO civilian service, or any age with 25 years FF or LEO civilian service.
- Air Traffic Controllers: Age 50 with 20 years ATC civilian service, or any age with 25 years ATC civilian service. Applies to both CSRS and FERS.



FERS Minimum Retirement Age (MRA) Chart	
If You Were Born In:	Your MRA Is:
Before 1948	55 years
1948	55 years, 2 months
1949	55 years, 4 months
1950	55 years, 6 months
1951	55 years, 8 months
1952	55 years, 10 months
1953 – 1964	56 years
1965	56 years, 2 months
1966	56 years, 4 months
1967	56 years, 6 months
1968	56 years, 8 months
1969	56 years, 10 months
1970 or after	57 years

Creditable Service for Retirement – All of the service that is included in your Service Computation Date (SCD) for leave accrual is *not* necessarily creditable towards your retirement eligibility, certain civilian and military service is subject to a service credit payment before it is creditable towards your eligibility. To learn more, please visit the DLA Human Resources (J1) website [Benefits Information](#) or contact a [DLA Human Resources Services counselor](#).

Retirement Date

Most employees choose a retirement date that will allow their annuity to commence as of the day following retirement. Depending on your retirement system, the desired days of the month are:

For Civil Service Retirement System (CSRS)

Last day of the month or first three days of the month.

For Federal Employee Retirement System (FERS)

Last day of the month.

Normally, if you retire on any other day than those listed above, your annuity will not commence until the first day of the following month.



SPECIAL RETIREMENT CIRCUMSTANCES

Voluntary Early Retirement Authority (VERA) - A VERA, also known as an “early-out” is a retirement incentive that *must be offered and approved by your organization or agency*. For VERA, the age and service criteria is the same for both CSRS and FERS - 50 years of age with at least 20 years of creditable service; or 25 years of creditable service, regardless of your age. Under CSRS there is a reduction for early retirement - Unless retirement is based on disability or under the special provision for law enforcement or firefighter personnel, the annuity of an employee who retires before age 55 will be reduced by 1/6 of 1% (2% a year) for each full month, if any, underage 55. Normally, a “window” is held for the purpose of accepting applications for consideration, and if approved, the employee must be off the roles by a specified date. Under VERA, it is important that separations occur within the prescribed window period. If you are approved for a VERA, follow the guidance provided by your organization and ensure that your retirement application materials are dated within the window period. For information on VERA information may be found at [VERA FACTS](#).

Non-Appropriated Fund (NAF) Retirement - If you are currently an appropriated fund (AF) employee who is retaining coverage under the NAF retirement system, you must contact a NAF representative for assistance with your retirement application. However, if you are a NAF employee who is retaining coverage under FERS or CSRS, your retirement application will be processed by your DLA Human Resources Services office. For more information click [NAF Plan Contacts](#).

Disability Retirement - If you are considering an application for a disability retirement, you should contact a DLA Human Resources Services benefits counselor (<http://www.hr.dla.mil/ContactUs/>) to obtain an annuity estimate and counseling. You will need to provide all of the forms discussed in this guide based on your retirement system. You will also need to submit a SF 3112, Documentation in Support of Disability Retirement (Click [SF FORMS](#)). Your disability application package should be sent to your DLA Human Resources Services office; however, the Office of Personnel Management is responsible for approving disability retirements.

Mandatory Retirement - Certain groups of employees, such as Firefighters and Law Enforcement Officers may be subject to mandatory retirement upon reaching certain age and service limitations. Your supervisor can tell you if your position is subject to these provisions.

Review your Electronic Official Personnel Folder (eOPF)

It is important to review your eOPF periodically, especially as you approach retirement. It is recommended that you review your eOPF again about eight months before your retirement date. You can review your eOPF on line at [e-Official Personnel Folder](#). As you review your eOPF, there are a few important items to look out for:

Does your eOPF contain information on all service that is creditable towards retirement? Maybe you once worked for the Census Bureau, or served on a temporary Christmas appointment with the



Postal Service, or perhaps you held a temporary position with the Internal Revenue Service (IRS) during tax season. These are just a few examples of service that employees forget to claim upon entering Federal service, but may very well be creditable towards retirement. Notify your DLA Human Resources Services Benefits Specialist immediately if you discover that your file is not complete.

Do you have current beneficiary forms on file? While reviewing your eOPF, make note of beneficiary designation forms on file, if any. Keep in mind that not all designations are retained in the eOPF – FEGLI (SF 2823), FERS (SF 3102) and Unpaid Compensation (SF 1152) will be on file in the eOPF, while CSRS (SF 2808) and TSP (TSP 3) designations are on file with the OPM and the TSP Service Office, respectively. You are encouraged to update your designations at the time of retirement. If you wish to update your forms, just visit the DLA Human Resources (J1) web site, and click: <http://www.hr.dla.mil/forms/>. Please be advised that beneficiary designations are not valid unless properly completed, witnessed, signed and dated by you. If you are ready to submit your retirement package, you may include your FEGLI and/or FERS designation; otherwise, the forms should be submitted through your DLA Human Resources Services office.

Have you performed active military service? If so, and you do not see your DD 214(s) in the eOPF, you must submit copies to the DLA Human Resources Services office along with your retirement package.

Have you made a deposit for military service performed on or after January 1, 1956 (Post-56 Deposit)? If you have paid your Post-56 military deposit, please check your eOPF for a copy of the OPM Form 1514. If not included in your eOPF, you will need to provide proof of payment with your retirement package.

Post-56 Military Deposit

If you have performed active military duty, including active duty for training, or periods of active duty that may have occurred during your civilian employment, and have not already made the Post 56 deposit, you should consider doing so at this time. An unpaid deposit may impact your retirement eligibility as well as your annuity.

If you decide not to make a Post 56 military deposit, you must complete and submit Form OPM 1515, Military Service Deposit Election, with your retirement package. If you have decided to retire and wish to make the deposit, you need to begin the process *immediately*. If you will not be eligible for retirement without including your military service, your deposit must be paid in full to the servicing Defense Finance and Accounting Service (DFAS) before you will be allowed to retire. Further information can be obtained:

If you are under the CSRS, click [Civil Service Retirement System Post 56](#) for more information.

If you are FERS, click [Federal Employee Retirement System Post 56](#) for more information.

Obtain a Retirement Annuity Estimate

About six months to one year before your retirement date, call the DLA Human Resources Services office for your preliminary retirement counseling and ask for a retirement estimate. You may also obtain your retirement estimate by clicking [DLA Retirement Estimate Request](#).



Federal Employees Health Benefits (FEHB) and Retirement

Do you wish to continue health benefits into retirement?

In order to continue FEHB into retirement, you must:

Retire on an immediate annuity (one which commences within 30 days of separation from service), and

Be enrolled in FEHB at the time of retirement and had FEHB coverage (including coverage as a family member) **for five continuous years of service immediately preceding retirement**, or since your first opportunity to enroll. *The five-year period includes enrollment in different plans or options within the FEHB program.*

If you are approved for retirement under the Voluntary Early Retirement Authority (VERA), the five-year requirement may be waived – consult with a DLA Human Resources Services benefits counselor to see if you are eligible for the waiver.

If you are not currently enrolled in FEHB and would like to carry FEHB into retirement, in order to meet the five year requirement, you should enroll during the next open season or earlier if you have a qualifying life event. DLA Human Resources Services counselors can talk to you about whether you are eligible to enroll, or change your enrollment, before the next open season. Note that retirement is not a qualifying life event in which to change your FEHB plan.

Survivor Coverage

IMPORTANT! If you intend for your spouse (and any eligible children) to continue your FEHB coverage in the event of your death, you must provide your spouse with a survivor annuity.

The survivor benefit does not have to cover the entire cost of the FEHB. Your survivor will be billed for any costs that are not covered by the survivor annuity.

Under CSRS or CSRS Offset, the minimum amount you can leave a survivor in order for him/her to continue FEHB in the event of your death is one dollar (\$1.00) per month.

Under FERS, the minimum survivor annuity you can provide your survivor in the event of your death is 25% of your unreduced annuity.

There are no specific forms to complete if you wish to continue your present coverage. Your FEHB premiums will be the same as those for a current employee; however, the premiums will be deducted on a monthly basis instead of biweekly. Please note that the pre-tax treatment of your FEHB premiums (premium conversion) ends when you retire. Same as when you were employed, you will have the option of changing FEHB coverage upon certain life events or during the annual open season. OPM will provide you with open season information.

If you also have coverage under TRICARE, TRICARE for Life or CHAMPVA, you can ask OPM to suspend your FEHB coverage. Do not submit a SF 2809 to cancel your coverage. You may submit a SF 2809 with your retirement package to suspend your FEHB coverage, at the time of retirement, indicating that you wish to suspend your FEHB coverage in order to use TRICARE, TRICARE for Life or CHAMPVA. Click: [TRICARE](#) or [CHAMPVA](#) for more information.



Federal Employees Group Life Insurance (FEGLI) and Retirement

Have you thought about how much life insurance you will need after you retire?

In order to continue FEGLI into retirement, **you must be insured under each option/multiple for 5 years prior to the date your annuity starts** or since the first opportunity to enroll in FEGLI in order to continue that particular option/multiple into retirement.

If you are eligible and wish to carry your FEGLI into retirement, you will need to complete a SF 2818 (FEGLI Continuation of Life Insurance Coverage) to make an election concerning the amount of coverage you wish to carry past age 65 for your Basic Life, Option B and Option C (if applicable).

To determine how much coverage you will need, ask yourself, “*What do I need my life insurance to cover?*” Items to consider include your mortgage, college tuition expenses for your survivor(s), and burial expenses. You may want to adjust the amount of life insurance that you are currently carrying. There are limited opportunities to increase FEGLI; however, you can lower it at any time before you retire if you do not wish to carry a higher amount into retirement. To see how your life insurance will change over time, check out the FEGLI calculator.

The FEGLI Calculator: The [Calculator](#) is a great tool to help you make your FEGLI decision. It allows you to prepare calculations on coverage amounts and premiums and includes calculations to help you make your retirement election.

FEGLI Retirement Election: You must include a completed SF 2818 with your retirement package to elect your post-retirement coverage. ***You must sign the form in all four spaces provided, even if you are not enrolled in all options.***

For your Basic insurance, you will need to elect the amount of coverage you wish to retain after age 65 by choosing a 75% reduction in coverage, a 50% reduction in coverage, or no reduction in coverage. The election you make at the time of retirement also determines the premiums you will pay before and after age 65.

If you are eligible and wish to continue Option A – Standard, coverage will automatically reduce on the first day of the second month after you reach age 65 or the first day of the second month after you retire, whichever is later. Reductions will stop when Option A reaches \$2,500. After age 65, you will no longer pay premiums for Option A.

If you are eligible and wish to continue Option B – Additional and/or Option C – Family Option, you will need to make an election on each option to indicate whether you wish to have no reduction or a full reduction. Please read the instruction pages of the SF 2818 before making your election(s).

Retirement Counseling

What questions should I ask my counselor?

Within six to twelve months of your retirement, you should contact a DLA Human Resources Services benefits counselor to obtain your retirement counseling and to request an annuity estimate. Below are some suggested topics that you may need to discuss with your counselor:

Federal Employee Healthcare Benefits (FEHB) – Confirm post-retirement eligibility and ask about Medicare –

When you become eligible for Medicare (generally at age 65), you can continue to maintain your FEHB coverage. In most cases, Medicare is primary and your FEHB plan will be secondary. You may want to shop for a lower level of coverage.



Federal Employee Group Life Insurance (FEGLI) - Confirm post-retirement eligibility and seek assistance with election options for carrying FEGLI into retirement.

Civilian Deposits – Have you paid your deposit for any period of temporary time? If not, ask your counselor how the unpaid deposit will affect your annuity. If you wish to make the deposit, talk with your counselor about the process.

Civilian Redeposits - Have you paid your redeposit for any refunded retirement contributions? If not, ask your counselor how the refunded service will affect your annuity. If you wish to make the redeposit, talk with your counselor about the process.

Post 56 Military Service Deposit – Have you paid your Post–56 deposit? If you wish to do so, you must begin the process immediately. Instructions on how to make your Military Deposit can be found at the [Military Service Deposit](#) website.

Survivor benefits - You will need to make a decision concerning a survivor annuity election for your current and/or former spouse. If you are currently married and do not wish to elect the maximum survivor benefits, your spouse must consent to your election of a lesser survivor annuity or no survivor annuity. The consent form is part of the retirement package and must be notarized. *Please be aware that if you should pass away as an annuitant and you want your survivors to continue FEHB after your death, you must provide a survivor annuity. See the FEHB information in this guide.*

Long Term Care Insurance (LTC) - If you are enrolled in Long Term Care Insurance, it will continue into retirement. The cost will be deducted from your retirement annuity. Click [Long Term Care Insurance](#) for more information and be sure to contact them when you retire.

Flexible Spending Accounts (FSA) - If you are participating in FSA, any monies that you have not spent at the time of your retirement will be forfeited. You are not eligible to continue FSA into and during retirement. Click [Flexible Spending Account](#) for more information.

Thrift Savings Program (TSP) - If you have a TSP account, you will need to become familiar with the various withdrawal options available. To make a withdrawal, you will need to send form TSP-70 (Withdrawal Request) to the TSP Service Office after you retire (but not before 31 days after your retirement). *Do not send the TSP-70 to the DLA Human Resources Services Office.* The TSP-70 and other information regarding TSP withdrawals and annuities can be obtained from the [TSP homepage](#).

Social Security - If you are eligible for Social Security, or if your annuity will be affected by Social Security, you should contact your local Social Security Office to apply for benefits. You can also obtain a Request for Earnings and Benefit Estimate Statement (Form SSA-7004) from your local Social Security Office. They will provide you with a free statement of information on eligibility for Social Security benefits and estimates of these benefits as of the specified retirement date. You can contact the Social Security Office at 1-800-SSA-1213 or at the [Social Security website](#).

Government Pension Offset (GPO) - It is important to remember that some or all of an employee's Social Security spousal benefit may be offset if the employee has a Government pension from work not covered by Social Security; this is called the GPO. This does not apply to employees who are automatically



covered by FERS, CSRS Offset, or those who elected to transfer to FERS, but do not serve five years under FERS.

Windfall Elimination Provision (WEP) – Primarily affects people who spend most of their careers working in government jobs with coverage under CSRS or for employees who do not withhold social security taxes. This reduced benefit is considered the WEP. Additionally, if you are a CSRS Offset employee, your annuity will be reduced (offset) when you become eligible for Social Security. The offset is applied when the basic requirements for Social Security are met (usually at age 62) even if you do not apply for Social Security. Click [Windfall Elimination Provision](#) for more information.

Sick Leave – If you are under CSRS or CSRS Offset, the balance of your sick leave will be added to your length of service once you are eligible to retire. **For separations for retirement under FERS occurring between October 28, 2009, and December 31, 2013**, 50% of the total unused sick leave not used in the computation of a CSRS component of an individual retiring under FERS shall be creditable for purposes of annuity computation. The remaining 50% of the total unused sick leave shall be treated as sick leave which can be recredited upon reemployment, and shall remain available for purposes of recredit on reemployment indefinitely. **For separations for retirement under FERS occurring on and after January 1, 2014**, 100% of the hours of unused sick leave not used in the computation of a CSRS component shall be used for purposes of computation of the FERS annuity. None of the hours of unused sick leave at the time of separation shall be available for recredit, pursuant to 5 C.F.R. §§ 630.502 and 630.405, in the event of reemployment. More information may be found in the [OPM Benefits Administration Letter](#). You can also find information in the [OPM Sick Leave Chart](#), page 142.

Lump Sum Annual Leave - You will receive a lump sum payment for all of your accrued leave after retirement. You should consider the tax implications when thinking about the best date to retire.

Direct Deposit/Allotments - Your servicing finance center and personnel office after retirement is the Office of Personnel Management. Because of this change, you are required to submit new direct deposit forms at the time of retirement. You will also need to submit new forms for any allotments you wish to have deducted from your annuity payments.

Federal and State Taxes - The DLA Human Resources Services office will compute federal tax in the estimate you receive but we cannot calculate state tax. You can also click [Federal Tax Withholding Calculator](#) to personally calculate your Federal taxes. To inquire whether a particular state taxes your Federal annuity visit that state's tax website.

Please talk to a tax professional to determine whether your state will tax your benefits or to determine your tax liability. If your state does tax federal annuities, you will need to submit a W4-P for your Federal taxes and a separate W4-P for your state taxes to the DLA Human Resources Services office along with your retirement package.

Voluntary Separation Incentive Payment (VSIP) – Certain tax considerations apply if you will be receiving a large lump-sum payment for annual leave or a Voluntary Separation Incentive Payment (VSIP). Taxes are applied to lump-sum payments and VSIPs in the year in which you receive the money. Information about the taxation of your annuity is explained in IRS Publication 721 which may be obtained free of charge by calling 1-800-Tax-Form or clicking the [IRS website](#) .



Obtaining and Completing Your Retirement Forms

The retirement package forms can be obtained from the DLA Human Resources (J1) web site [Retirement Forms](#) or on the [OPM's Forms](#) web page. You can also call the DLA Human Resources Services toll free line shown on the first page and request the forms be mailed. We recommend that you complete the forms to the best of your ability. Then, flag the areas that you are unsure of and contact a DLA Human Resources Services counselor for assistance.

Employees are strongly encouraged to mail the application package to the DLA Human Resources Services office within 60-90 days in advance of the retirement date. Make a copy of your package for your records, and then send to the appropriate mailing address found on the first page of this guide, or at the [DLA Human Resources Services Contacts](#) webpage.

Notify your supervisor of your intended retirement date and ask that he/she initiate a Request for Personnel Action (RPA). Your supervisor will need to complete a RPA for retirement and submit to your DLA Human Resources Services office.

If you need to speak with a benefits counselor when completing the retirement package or at any time during the retirement process, call the DLA Human Resources Services toll-free at 1-866-352-4762 if serviced by Columbus and 1-888-352-3373 if serviced by New Cumberland, Monday through Friday, from 07:30 a.m. to 4:30 p.m. (Eastern Standard Time) (except on Federal holidays).

Retirement Package Forms CSRS and CSRS Offset <i>(If you are now CSRS or CSRS Offset, use the forms under this heading)</i>	FERS <i>(If you are now under FERS, even if you were once CSRS, use the forms under this heading)</i>
SF 2801, Application for Immediate Retirement (required) (and schedules A, B, and C as applicable)	SF 3107, Application for Immediate Retirement (required) (and schedules A, B, and C as applicable)
SF 2801-2, Spouse's Consent to Survivor Election & SF 2801-2 Attachment , if applicable	SF 3107-2, Spouse's Consent to Survivor Election , if applicable
SF 2801-3, Election of Former Spouse Survivor Annuity or Combination Current/Former Spouse Annuity , if applicable	<i>(intentionally left blank)</i>
RI 38-128 Electronic Fund Transfer Form (preferred) or SF 1199A, Direct Deposit Sign-Up Form	RI 38-128 Electric Fund Transfer Form (preferred) or SF 1199A, Direct Deposit Sign-Up Form (if not included with SF 3107)
RI 38-124, Voluntary Contributions Election , if applicable	RI 38-124, Voluntary Contributions Election , if applicable (applies to FERS transferees only)
SF 2809, Health Benefits Registration Form (If you are making an open season election and will retire before the effective date)	SF 2809, Health Benefits Registration Form (If you are making an open season election and will retire before the effective date)
CHAMPUS Certification Letter (if using to meet five-year requirement)	CHAMPUS Certification Letter (if using to meet five-year requirement)



SF 2818, Continuation of Life Insurance Coverage. <i>You must sign this form in all four spaces provided, even if you are not enrolled in all four options.</i>	SF 2818, Continuation of Life Insurance Coverage. <i>You must sign this form in all four spaces provided, even if you are not enrolled in all four options.</i>
W-4P, Withholding Certification for Pension or Annuity Payment <i>(for Federal taxes, and state taxes, if applicable)</i>	W-4P, Withholding Certification for Pension or Annuity Payment <i>(for Federal taxes, and state taxes, if app</i>
<i>(intentionally left blank)</i> <i>(intentionally left blank)</i>	SF 3102 FERS Designation of Beneficiary (if you wish to update at the time of retirement)
SF 2823 FEGLI Designation of Beneficiary (if you wish to update at time of retirement)	SF 2823 FEGLI Designation of Beneficiary (if you wish to update at time of retirement)
Other Forms if Previously Military	
DD 214, Report of Separation from Active Duty	DD 214, Report of Separation from Active Duty
Copy of Waiver of Military Retired Pay (If waiving military pay to use military service)	Copy of Waiver of Military Retired Pay (If waiving military pay to use military service)
OPM Form 1514, Military Deposit Worksheet or other proof of deposit (If applied to pay for military service after 1-1-57)	OPM Form 1514, Military Deposit Worksheet or other proof of deposit (If applied to pay for military service after 1-1-57)
OPM 1515, Military Service Deposit Election (if you did not pay your Post-56 deposit)	OPM 1515, Military Service Deposit Election (if you did not pay your Post-56 deposit)
SF 2802, App for Refund of Retirement Deductions-CSRS (if you want refund of post-56 military deposit)	SF 3106, App for Refund of Retirement Deductions-FERS (if you want refund of post-56 military deposit)

Checklist

Have you....?

- ✓ Completed the appropriate retirement package? (CSRS – SF 2801; FERS, SF 3107- even if you were once under CSRS and elected coverage under FERS.)
- ✓ Verified that you have included all applicable forms and double-checked your forms for accuracy?
- ✓ Signed and dated all forms as indicated?
- ✓ Signed the SF 2818 (FEGLI Continuation of Life Insurance Coverage) in all four spaces provided and checked the blocks as appropriate if you have FEGLI coverage?
- ✓ Initialed your survivor benefit election and, if electing less than the maximum survivor annuity, completed the appropriate form(s) and had the consent notarized?
- ✓ Enclosed your DD 214(s), proof of deposit payment, and if not yet paid, an OPM Form 1515?



- ✓ Included beneficiary designations for FEGLI and FERS (if you wish to update at the time of retirement) and verified that the designations are properly completed, signed and dated by you, and contain the signatures of two witnesses that are not listed as beneficiaries?
- ✓ Ensured that your designations for CSRS and the TSP (if applicable) have been completed properly and sent to OPM and TSP, respectively?
- ✓ Made a copy of all forms in the package for your records?
- ✓ Asked your supervisor to initiate a Request for Personnel Action (RPA) for your retirement?

Application Processing

What Happens After I Submit My Package to DLA Human Resources Services?

Once received, the DLA Human Resources Services will review your retirement package to ensure that it is complete and send you an email to confirm receipt. If the DLA Human Resources Services notifies you of any missing or incomplete forms, it is important to act quickly and return your form(s) to the DLA Human Resources Services office as soon as possible.

About 30-60 days before your retirement date, your package will be assigned to a retirement counselor. The counselor will again review your package and verify that you are eligible to retire.

Your retirement counselor will be available for final counseling to review your final retirement estimate and to answer any additional questions you may have.

The DLA Human Resources Services will complete the Certified Summary of Federal Service and process the retirement application and personnel action.

Your retirement will be effective as of close of business on the date you chose to retire. After processing, DLA Human Resources Services will send you a congratulations letter, along with your final RPA action and additional supporting information.

Once the DLA Human Resources Services has completed their portion of the retirement process, they will forward your retirement package to DFAS, who, in-turn will complete their portion of the retirement package and forward it to OPM.

Obtaining a Personal Statement of Benefits (PSOB) Estimate from the Employee Benefits Information System (EBIS)

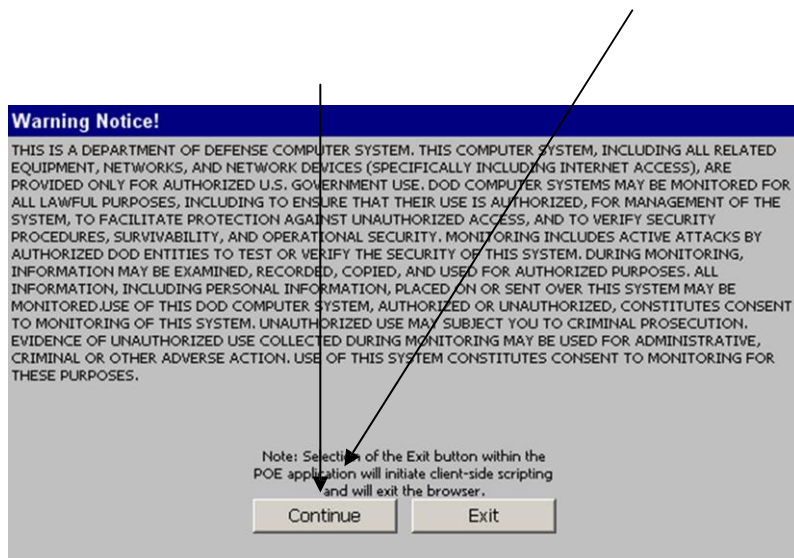
To set up a new user account, please follow the instructions located at ([link to EBIS page](#))

Once you have set up an EBIS account:



1. Click on the Benefits/EBIS Button.

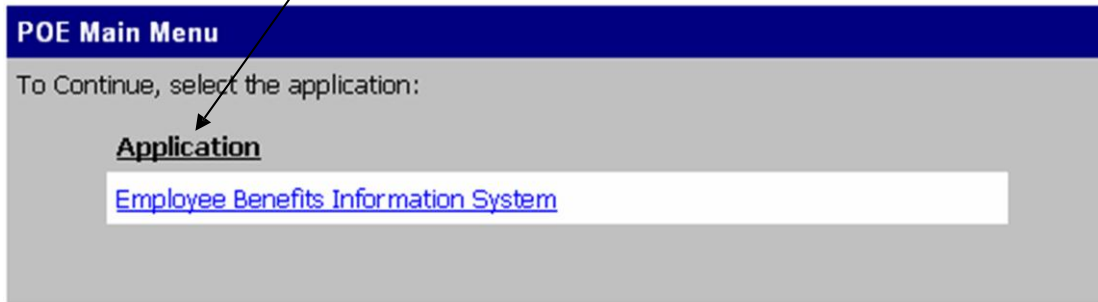
2. Click on Continue



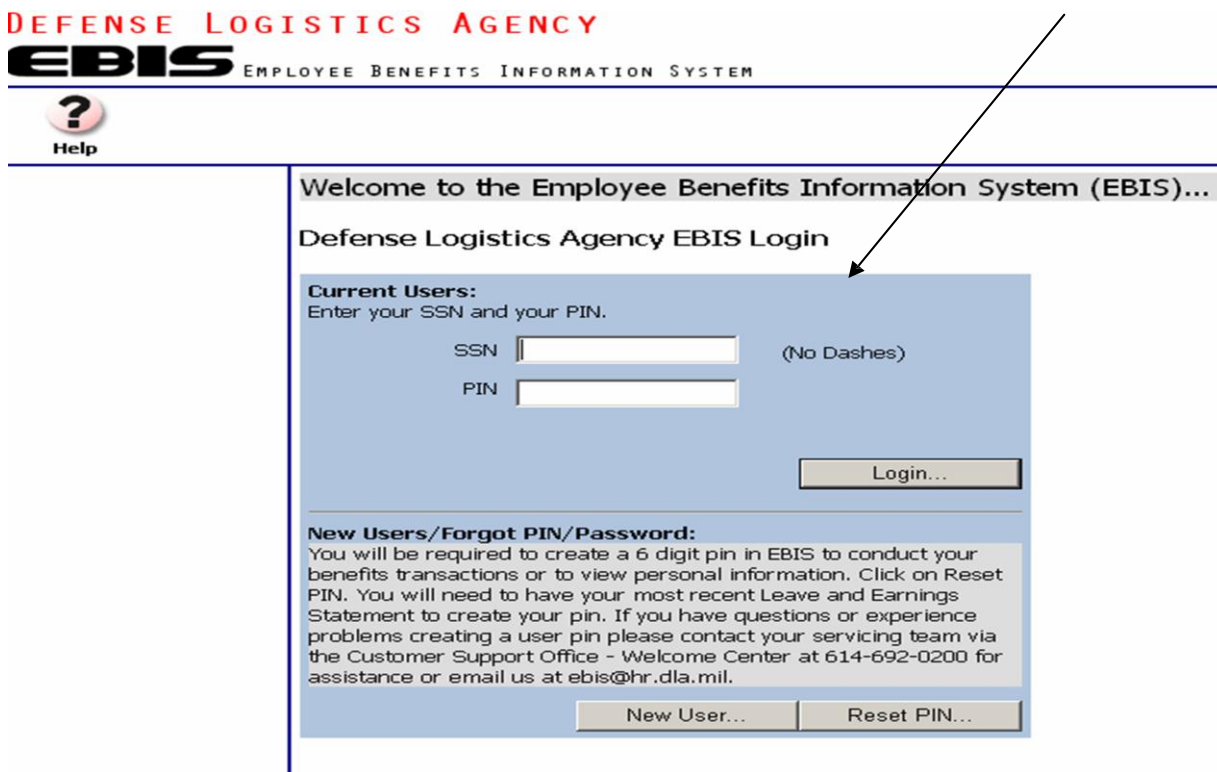
3. Enter your Social Security Number and Password and then click Continue



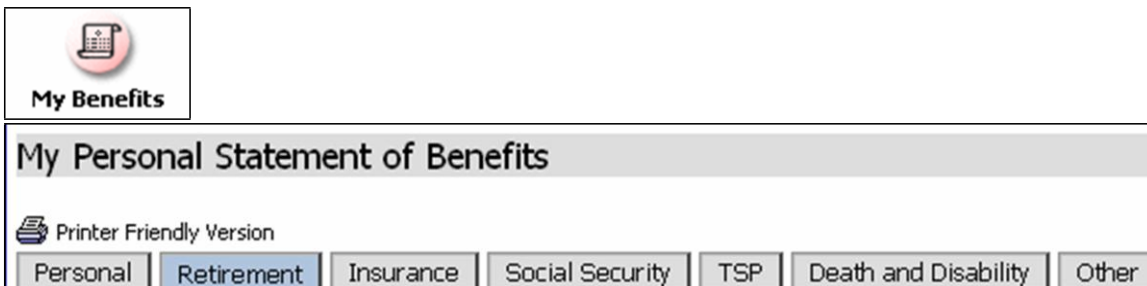
4. Log into EBIS.



5. Enter your Social Security Number and PIN and click LOGIN.



6. Click on the "My Benefits" tab.



7. Click on the "Retirement" tab to receive your PSOB.



Accessing the DLA Human Resources Services by Telephone

Please use the contact information at [DLA Human Resources Services](#) office toll-free.

Extra Information for Retirees

Choose a retirement date at the end of a month

Voluntary retirement benefits commence the first day of the month following your retirement. Suppose John chooses Aug. 12 as his retirement date and Joan chooses Aug. 31. Regardless of which retirement system they are under (CSRS or FERS), both will receive their first monthly retirement benefit payment for the month of September on Oct. 1. Joan would get her salary through her date of retirement, while John's salary would stop at the close of business Aug. 12. He would receive no retirement compensation until his September benefit payment arrived.

Why does this matter? If John's salary were \$65,000 per year, he would forfeit \$3,250 in salary by leaving 13 days before the end of the month.

Retire at the end of a leave period to earn another leave accrual

Title 5 of the U.S. Code says: "An employee is entitled to annual leave with pay which accrues one day for each **full** biweekly pay period for employees with 15 or more years of service." Unused annual leave hours are reimbursed in a lump sum payment upon separation from federal service.

CSRS (and CSRS Offset) employees can retire on the first, second or third day of the month and be entitled to benefits beginning the day after they leave. FERS does not have this grace period. So, for example, a CSRS employee could retire on Friday, Sept. 1, 2006, and accumulate the last leave accrual for leave period 17 and still be entitled to a retirement benefit for the month of September. If the employee retired on Thursday, Aug. 31, he or she would not accrue leave for period 17 (unless they work an alternative schedule and complete 80 hours of work by Thursday afternoon).

Retire at the end of the year to get the maximum lump sum leave payment

FERS employees should consider retiring on Dec. 31. CSRS employees can take advantage of the 3-day grace period by retiring on Jan 3.

Most federal employees are limited to carrying over 240 hours of annual leave each year. In addition to the carryover leave, employees with more than 15 years of service accumulate an additional 208 hours of annual leave each year. Employees must use this accumulated leave each year to avoid losing it to the carryover limit--except in the year they are planning to retire.

For example, suppose Helen carried over 240 hours of leave from 2005 and plans to save up her leave accruals in 2006 since she is planning to retire this year. By the end of December (leave period 25), she will have 440 hours (240 hours from 2005 and 200 additional hours accumulated in 2006) of unused annual leave. Helen would receive payment for 440 hours of leave in a lump sum payment following her retirement on Dec. 31.



The lump sum increases relative to the pay raise GS employees receive at the start of the new leave year. This is because the law requires that employees' lump-sum payments equal the pay he or she would have received had they remained employed until the expiration of the period covered by the annual leave.

So, if Helen makes \$65,000, and if a 3.5 percent general pay increase is granted on Jan. 7, 2007, here is how her lump sum annual leave payment would be computed: Her 2006 pay rate (\$65,000) would apply to the first 40 hours of leave (covering Jan. 1 - 5) and the remaining 400 hours would receive the 2007 rate (\$67,275). The gross amount of the payment would equal approximately \$14,139, and the boost in salary would increase her annual leave payment by \$435.

Expect the lump sum annual leave payment within 30 to 45 days of retirement. So even if you retire on Dec. 31, the payment will be taxable the following year.

A springtime retirement can provide some tax breaks

If getting a lump sum annual leave payment is not that big of an issue for you, you may wish to consider retiring earlier in the year to take advantage of some tax breaks.

First, beginning in 2006, there are no percentage limits to your TSP contributions. This means that you could elect to contribute your entire salary to the TSP -- tax-deferred -- until you reach the IRS elective deferral limit. In addition, if you are turning 50 this year or are already there, you can contribute an additional \$5,000 in catch-up TSP contributions (also tax deferred). FERS employees also will be entitled to the usual agency automatic and matching contributions during this time. This results in a reduction of taxable income of \$25,000 for 2006. What a great time to cash in those savings bonds!

If you signed up for a flexible spending account, you must incur expenses prior to your retirement to be able to use this year's health care allotment. For health care FSAs, the amount allotted for the year is available for reimbursement on Jan. 1 of the plan year. Dependent care FSA reimbursement is limited to the amount in the account at the time the claim is made.

Employees usually have 14 and a half months to use the money allotted in their FSA accounts. So any funds in an account established for 2005 are available until March 15, 2006, and 2006 account funds are available from Jan. 1, 2006, through March 15, 2007. The annual limit for health care FSAs is \$5,000 in 2006. If you need some expensive medical care, this could result in lowering your 2006 taxable income by up to the FSA limits. But you must take advantage of this before your retirement date.

Social Security

If you have reached your full Social Security eligibility age (from 65 to 67, depending on your year of 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. Those eligible for Social Security benefits can begin receiving them on Jan. 1 of the year of their retirement rather than waiting until after they retire. If your earned income for the year will not exceed the limit, you may be eligible for benefits before you actually retire. Retirement annuity income does not count as earned income.



Lump-Sum Payments Annual Leave

Entitlement

An employee will receive a lump-sum payment for any unused annual leave when he or she separates from Federal service or enters on active duty in the armed forces and elects to receive a lump-sum payment. Generally, a lump-sum payment will equal the pay the employee would have received had he or she remained employed until expiration of the period covered by the annual leave.

Calculating a Lump-Sum Payment

An agency calculates a lump-sum payment by multiplying the number of hours of accumulated and accrued annual leave by the employee's applicable hourly rate of pay, plus other types of pay the employee would have received while on annual leave, excluding any allowances that are paid for the sole purpose of retaining a Federal employee in Government service (e.g., retention allowances and physicians comparability allowances).

Types of Pay Included in a Lump-Sum Payment

- Rate of basic pay
- Locality pay or other similar geographic adjustment
- Within-grade increase (if waiting period met on date of separation)
- Across-the-board annual adjustments
- Administratively uncontrollable overtime pay, availability pay, and standby duty pay
- Night differential (for FWS employees only)
- Regularly scheduled overtime pay under the Fair Labor Standards Act for employees on uncommon tours of duty
- Supervisory differentials
- No foreign area cost-of-living allowances and post differentials
- Foreign area post allowances

Return to Federal Service

In calculating a lump-sum payment, an agency projects forward an employee's annual leave for all the workdays the employee would have worked if he or she had remained in Federal service. By law, holidays are counted as workdays in projecting the lump-sum leave period. If an employee is reemployed in the Federal service prior to the expiration of the period of annual leave (i.e., the lump-sum leave period), he or she must refund the portion of the lump-sum payment that represents the period between the date of reemployment and the expiration of the lump-sum period. An agency recredits to the employee's leave account the amount of annual leave equal to the days or hours of work remaining between the date of reemployment and the expiration of the lump-sum leave period.

References:

5 U.S.C. 5551 and 6306 [5 CFR part 550, subpart L](#)



Acronyms

CSRS - Civil Service Retirement System

DFAS – Defense Finance and Accounting Service

eOPF – Electronic Official Personnel Folder

EBIS – Employee Benefits Information System

FEGLI – Federal Employees Group Life Insurance

FEHB – Federal Employees Health Benefits

FERS – Federal Employees Retirement System

FSA – Flexible Savings Account

GPO – Government Pension Offset

LTC – Long Term Care

NAF – Non-Appropriated Funds

OPM – Office of Personnel Management

SCD – Service Comp Date

TSP – Thrift Savings Plan

VERA – Voluntary Early Retirement Authority

VSIP – Voluntary Separation Incentive Payment

WEP – Windfall Elimination Provision

