Decide Before You Sign

4 Retirement Elections to Finalize Before You File

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Some estimates are based on assumptions, which may affect the results and may differ from actual experience. Future costs and benefits cannot be projected with absolute certainty. It is recommended that you consult with your personnel office or the Office of Personnel Management (OPM) Retirement Information Office.

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WHY THIS MATTERS

Your Retirement Paperwork is a Decision Document

Signing the forms is the moment several choices stop being choices.

- Once your application reaches **OPM**, several elections become difficult — and some impossible — to undo
- Most employees spend months choosing a **retirement date**… and minutes on the elections themselves
- Those elections shape your **income**, your **spouse's security**, and your **cash flow** for the next 30 years

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TWO QUESTIONS

Before You Sign, Answer Both — Not Just the First

Eligibility is where most people stop. It is only half the review.

QUESTION 1

"Am I eligible to retire?"

- Deserves a firm answer, not an assumption
- Confirm age, creditable service, and any military or deposit issues
- Get it verified on your official HR estimate

QUESTION 2

"Have I finalized the decisions my paperwork will lock in?"

- Survivor benefit election
- FEGLI coverage to carry forward
- FERS Supplement amount & earnings test
- TSP withdrawal amount & method

QUESTION 1 — ELIGIBILITY

FERS Retirement Eligibility at a Glance

Confirm which row you fall in before anything else.

RETIREMENT TYPE	AGE	YEARS	ANNUITY	FERS SUPPLEMENT?
Immediate — full	MRA	30	Unreduced	Yes
Immediate — full	60	20	Unreduced	Yes
Immediate — full	62	5	Unreduced (1.1% multiplier w/ 20+ yrs)	No
MRA + 10	MRA	10–29	Reduced 5% per year under 62 (unless postponed)	No
Early-out / DSR	50 (or any age)	20 (or 25)	Unreduced	Yes, starting at MRA

MRA = Minimum Retirement Age (55–57 depending on birth year).
Special provisions (LEO, firefighters, ATC) have separate rules.

QUESTION 2 — THE ELECTIONS

Four Decisions to Finalize Before You File

Each one is shaped by the paperwork — and each one shapes the others.

01	SURVIVOR BENEFITS	Protects your spouse’s income — and their FEHB.
02	FEGLI	How much coverage still earns its cost.
03	FERS SUPPLEMENT	Know the amount, and know the earnings test.
04	TSP	How much to spin off — and how.

Decision 1: Survivor Benefits

The election that protects more than income.

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SURVIVOR BENEFITS

FERS Gives You Three Survivor Options

Each option trades a smaller annuity today for protection later.

FULL

50%

of your unreduced annuity to your spouse

Cost: 10% reduction to your annuity while living

PARTIAL

25%

of your unreduced annuity to your spouse

Cost: 5% reduction to your annuity while living

NONE

0%

no continuing annuity to your spouse

Cost: No reduction — but spouse loses FEHB eligibility

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SURVIVOR BENEFITS - ILLUSTRATION

Three Options on a $3,000/Month Annuity

Same employee, same annuity — three very different outcomes for a surviving spouse.

ELECTION	YOUR ANNUITY	ANNUAL COST	SPOUSE'S SURVIVOR ANNUITY	SPOUSE KEEPS FEHB?
Full (50%)	$2,700 / mo	$3,600	$1,500 / mo	Yes
Partial (25%)	$2,850 / mo	$1,800	$750 / mo	Yes
None	$3,000 / mo	$0	$0	**No**

Key insight: Survivor annuities receive cost-of-living adjustments and last for your spouse's lifetime. Compare the cost against what it would take to replace that income — and that health coverage — another way.

Hypothetical example for illustration only; figures before taxes and FEHB premiums.

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THE OVERLOOKED CONNECTION

Your Spouse's FEHB is Tied to This Election

This single link can outweigh the monthly math.

FEHB

Coverage for a surviving spouse generally requires a survivor annuity.

- Elect **no survivor benefit** → your spouse's access to federal health insurance ends when your annuity does.
- Even a **partial** election can preserve FEHB eligibility
- Your spouse must also be covered under your **Self Plus One** or **Self & Family** enrollment.
- For many couples, this connection may **outweigh the monthly math**

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BEFORE YOU DECIDE

Work Through These Four Questions

Answer these before you choose an election percentage.

1

Your spouse's own income

Pension, Social Security, and savings — would they be secure without your annuity?

2

Life insurance as an alternative

Could a policy replace part of the benefit at lower cost — and can it be kept in force for life?

3

Spousal consent

Anything less than the full election requires notarized consent from your spouse

4

Budget fit

Does the reduction fit comfortably inside your retirement budget?

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COMPARING TOOLS

Survivor Annuity vs. Private Life Insurance

Two ways to protect a spouse — with very different trade-offs.

SURVIVOR ANNUITY
Lifetime income

- Lifetime income for your spouse
- Includes cost-of-living adjustments
- Preserves spouse's FEHB eligibility
- No medical underwriting
- Cost: a permanent reduction to your annuity

PRIVATE LIFE INSURANCE
A lump sum

- Lump sum paid to your beneficiary
- Possibly lower cost, depending on age & health
- Does NOT preserve FEHB for your spouse
- Requires underwriting and ongoing premiums
- Must stay in force for life to do the job

This is one of the least reversible decisions in the entire retirement process.

SF 3107 → Surviving Spouse Election

1.	***Initials***	***I choose a reduced annuity with maximum survivor annuity for my spouse named in Section C.*** If you are married at retirement, you will receive this type of annuity unless your spouse consents to your election not to provide maximum survivor benefits. If you receive this annuity, your annuity will be reduced by 10%. Your spouse's annuity upon your death will be 50% of your unreduced earned annuity.
2.	***Initials***	***I choose a reduced annuity with a partial survivor annuity for my spouse named in Section C.*** If you choose this option, your annuity will be reduced by 5%. Upon your death, your spouse's annuity will be 25% of your unreduced earned annuity. You ***must*** have your spouse's consent to choose this option. Complete form SF 3107-2, *Spouse's Consent to Survivor Election,* and attach it to your application.
3.	***Initials***	***I choose an annuity payable only during my lifetime.*** If you are married at retirement, you ***cannot*** choose this type of annuity without your spouse's consent. ***No survivor annuity will be paid to your spouse after your death if he or she consents to this election and any health benefits will cease. In addition, your spouse will not be eligible to enroll in the Federal Long Term Care Insurance Program, if he/she is not enrolled at the time of your death.*** If you are married and elect this, complete form SF 3107-2, *Spouse's Consent to Survivor Election*, and attach it to your application.

Decision 2: FEGLI

Decide what coverage still earns its cost.

FEGLI – ELIGIBILITY

Can You Carry FEGLI Into Retirement?

Three numbers that set the rules for your coverage.

5

YEARS

of continuous enrollment immediately before retirement (or since first opportunity)

1

CHANCE

decisions to reduce or cancel in retirement generally can’t be reversed

0

INCREASES

you cannot add or increase coverage after you retire

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FEGLI – BASIC COVERAGE

Choosing Your Basic Reduction Election

Reductions begin at age 65 or at retirement, whichever is later.

ELECTION	WHAT HAPPENS TO COVERAGE	PREMIUMS AFTER 65	BEST FIT FOR…
75% Reduction	Declines 2% per month after 65 until 25% remains	Stop at 65 (free)	Those who need less coverage over time
50% Reduction	Declines 1% per month after 65 until 50% remains	Continue (extra premium)	A middle ground on cost and coverage
No Reduction	Stays level for life	Continue — highest ongoing cost	Those with a lasting need, e.g., estate or spouse

FEGLI – OPTIONAL COVERAGE

Option B: Where Expenses Can Escalate

Age-banded premiums can make optional coverage the most expensive part of FEGLI.

- **Option B premiums** are age-banded — they step up every five years
- Electing **No Reduction** can mean sharply rising costs through your 60s and 70s
- Electing **Full Reduction** → coverage declines 2% per month after 65 until it reaches zero; premiums stop
- **Options A and C** follow their own reduction and premium rules — review each one
- For some, the protection is worth it; for others, **private coverage** may cost less long-term

Ask Yourself

What exactly is this coverage protecting — debts, a spouse's income, final expenses, or an estate? And will that need still exist at 75? At 85?

FEGLI – BEFORE YOU FILE

Your FEGLI Checklist

Review the coverage, then update the paperwork behind it.

REVIEW

- Confirm you meet the 5-year rule
- Choose a Basic reduction election
- Decide on Options A, B, and C multiples & reductions
- Price comparable private coverage

UPDATE

- Confirm beneficiary designations (SF 2823) reflect your current wishes
- Consider life changes: marriage, divorce, children, estate plans
- Keep copies with your retirement records

Basic Life Insurance

7. Do you want to have Basic Life insurance in retirement/compensation if you are eligible?

☒ Yes *(If yes, complete item 8.)* ☐ No ☐ I received a full Living Benefit. *(skip to Item 9)*

8. What level of Basic do you want in retirement/compensation? *Check only one box. If you received a partial Living Benefit, you must check No Reduction.*

☒ 75% Reduction ☐ 50% Reduction ☐ No Reduction

Option A — Standard Optional Insurance

9. Do you want to have Option A in retirement/compensation if you are eligible? To continue Option A, you must also continue Basic.
(Check "yes" only if you currently have as an employee)

☒ Yes ☐ No ☐ I don't have Option A.

Option B — Additional Optional Insurance

10. Do you want to have Option B in retirement/compensation if you are eligible? To continue Option B, you must also continue Basic.
(Check "yes" only if you currently have as an employee)

☐ Yes *(If yes, complete item 11.)* ☒ No ☐ I don't have Option B.

11. How many multiples of Option B do you want to have in retirement/compensation? You can elect up to the number of multiples you are eligible to continue in retirement. Put a number on each line to indicate how many multiples you want for NO REDUCTION and FULL REDUCTION. If the number is "zero", "0" should be written on that line. The total of both No and Full Reduction multiples cannot exceed 5. See the instructions.

0 *(number of NO REDUCTION multiples)* 0 *(number of FULL REDUCTION multiples)*

Option C — Family Optional Insurance

12. Do you want to have Option C in retirement/compensation if you are eligible? To continue Option C, you must also continue Basic.
(Check "yes" only if you currently have as an employee.)

☐ Yes *(If yes, complete item 13.)* ☒ No ☐ I don't have Option C.

13. How many multiples of Option C do you want to have in retirement/compensation? You can elect up to the number of multiples you are eligible to continue in retirement. Put a number on each line to indicate how many multiples you want for NO REDUCTION and FULL REDUCTION. If the number is "zero", "0" should be written on that line. The total of both No and Full Reduction multiples cannot exceed 5. See the instructions.

0 *(number of NO REDUCTION multiples)* 0 *(number of FULL REDUCTION multiples)*

Decision 3:
The FERS Supplement

Know the amount and know the test.

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FERS SUPPLEMENT - ELIGIBILITY

Who May Receive the Supplement?

The Supplement ends at age 62. It is not paid on an MRA+10 or deferred retirement.

1. **MRA with 30 years of service**
   Supplement begins immediately
2. **Age 60 with 20 years of service**
   Supplement begins immediately
3. **Early-out or discontinued service retirement**
   Supplement begins once you reach your MRA
4. **Special provisions (LEO, firefighters, ATC)**
   Supplement begins immediately, per special-provision rules

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FERS SUPPLEMENT – THE AMOUNT

Approximates the Social Security You Earned

A hypothetical employee with 30 years of FERS service.

Estimated Supplement = Social Security at 62 × FERS civilian years ÷ 40

$2,000
SOCIAL SECURITY AT 62

30 ÷ 40
FERS YEARS ÷ 40 = 75%

≈ $1,500
ESTIMATED MONTHLY SUPPLEMENT

Finalize it: Get the amount in writing on your official HR retirement estimate.

Illustration only — not a projection of your own benefit.

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FERS SUPPLEMENT – THE EARNINGS TEST

Working After Retirement? Know the 2026 Limit

If part-time work or consulting is in your plan, model the offset before you set your date.

$24,480

2026 ANNUAL EARNINGS LIMIT

$1 for $2

REDUCTION OVER THE LIMIT

Every $2 you earn above the limit reduces your Supplement by $1 — **until the Supplement ends at 62.**

EXAMPLE:

Part-time earnings: $34,480

Over the limit: $10,000

Annual reduction: $5,000

≈ $417 less per month

OPM applies the reduction based on prior-year earnings.

Hypothetical example for illustration only.

FERS SUPPLEMENT – THE EARNINGS TEST

What Counts Toward the Test — and What Doesn't

Only earned income is tested. Retirement and investment income are not.

COUNTS

- Wages from employment
- Net self-employment income (consulting, contracting, a business)

DOES NOT COUNT

- Your FERS annuity
- TSP withdrawals
- Rental income
- Investment income (interest, dividends, capital gains)

Decision 4: Your TSP

How much to spin off – and how.

TSP — HOW MUCH?

Build Your Number From Your Actual Income Gap

Start with what you spend, not with what the TSP holds.

$7,000	–	$3,200	–	$1,500	=	$2,300
MONTHLY EXPENSES		FERS PENSION		FERS SUPPLEMENT		MONTHLY GAP

× 12 = $27,600 a year ÷ 4%

APPROXIMATE TSP TARGET

≈ $690,000

What moves the number: Tax Bracket · Social Security Timing · Time Horizon · One-Time Goals

Hypothetical example; pre-tax simplification. Illustration only — your spending and annuity will differ.

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TSP — A REFERENCE POINT

The “4% Rule” Is a Reference, Not a Rule

Useful as a sanity check — not a substitute for a plan.

~4%

annual withdrawal rate often cited as a starting point

- Useful for a **sanity check** — not a substitute for a plan
- Your real rate depends on the **gap** your pension and Supplement leave
- Needs often change at **62** (Supplement ends) and when **Social Security** begins
- Market conditions and **sequence of returns** matter most in the early years

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TSP — HOW?

Four Ways to Take Money From Your TSP

Many retirees combine methods — e.g., installments for base income plus occasional partial withdrawals.

1

Installment Payments

Monthly, quarterly, or annual — a fixed dollar amount or based on life expectancy

2

Partial Withdrawals

One-time needs such as home repairs, a vehicle, or travel

3

Annuity Purchase

Converts a portion of your balance into guaranteed lifetime income

4

Rollover to an IRA

Broader investment and distribution flexibility

Withdrawals and Rollovers

Take out your retirement savings or roll it over.

Thinking about Roth?

You can convert a portion of your traditional balance to Roth within your TSP account. Roth in-plan conversions give you the chance for tax-free growth on your investments without needing to make a withdrawal.

Withdrawals and Distributions

You're able to take money from your plan. If you roll your money over into another qualified retirement plan or an Individual Retirement Account (IRA), your savings stay tax deferred and may continue to grow.

Request direct deposit to get your money. If you choose direct deposit, you can expect to receive your funds in your account 6 calendar days after we process your request. However, if you choose to receive your funds via paper check, you can expect to receive your check in the mail 10 calendar days after we process your request.

Effective Date

You must complete your request before 12:00 pm eastern time on April 13, 2026 for it to be effective on **April 13, 2026**.

Learn More | Checklist

Thrift Savings Plan - Civilian

Partial Distribution — Available — Get Started

Total Distribution — Available — Get Started

Annuity Purchase — Available — Get Started

Installments—Automatic Withdrawals

You can set up a schedule of automatically recurring payments from your plan.

How it works

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TSP — TAX & TIMING

Ages That Change the Rules on Your TSP

Plan withdrawals around these milestones.

55

Separate in or after the year you turn 55 (50 for special provisions) → penalty-free TSP access

59½

10% early-withdrawal penalty no longer applies to IRAs

62

FERS Supplement ends; common Social Security decision point

73 / 75

Required minimum distributions begin (depends on birth year)

Caution: Rolling TSP dollars to an IRA before 59½ can forfeit the age-55 penalty-free treatment.

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TSP — TAX DETAILS

Tax Details That Deserve Attention

A withdrawal strategy decided in advance beats one decided under pressure.

ITEM	WHAT TO KNOW	PLANNING MOVE
Traditional TSP	Taxed as ordinary income in the year withdrawn	Coordinate withdrawals with your tax bracket
Roth TSP	Qualified withdrawals are tax-free	Decide which balance to draw from, and when
Default withholding	May not match your actual tax liability	Review withholding to avoid surprises in April
RMDs	Begin at 73 or 75, depending on birth year	Plan early to avoid forced, high-tax withdrawals

Bringing it All Together

Every election affets the others —
decide them together.

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HOW THE DECISIONS INTERACT

Every Election Affects the Others

Navigating these together — not one form at a time — turns paperwork into a plan.

Larger survivor election	→ lower annuity → **your TSP must produce more**
Dropping or reducing FEGLI	→ frees up cash flow → **shifts risk to your family**
Working after retirement	→ may reduce the Supplement → **changes how much TSP you need**
TSP withdrawal choices	→ drive your tax bill → **affect how long savings last**

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YOUR PRE-FILING CHECKLIST

Decide Before You Sign

What to carry out of this session — and into your own paperwork.

- **Eligibility:** Confirmed on your official HR estimate.
- **Survivor benefit:** Election chosen; spousal consent notarized if needed; FEHB impact understood.
- **FEGLI:** 5-year rule confirmed; reductions chosen; beneficiaries updated.
- **FERS Supplement:** Amount in writing; earnings test modeled against work plans.
- **TSP:** Withdrawal amount built from your gap; method, taxes, and timing set.

How do you start a retirement strategy?

The Benchmark Financial Group Process

Set Up a Complimentary Consultation

1. First meeting → “Fact Finder”
   - Gather all documents and information needed to develop your retirement plan

2. Second meeting → Version 1 of your plan
   - Details choices for Pension, FEGLI, FERS Supp, TSP
   - Net Monthly Income Comparison, Investment + Income Strategy for TSP $

The Benchmark Financial Group Process

Set Up a Complimentary Consultation

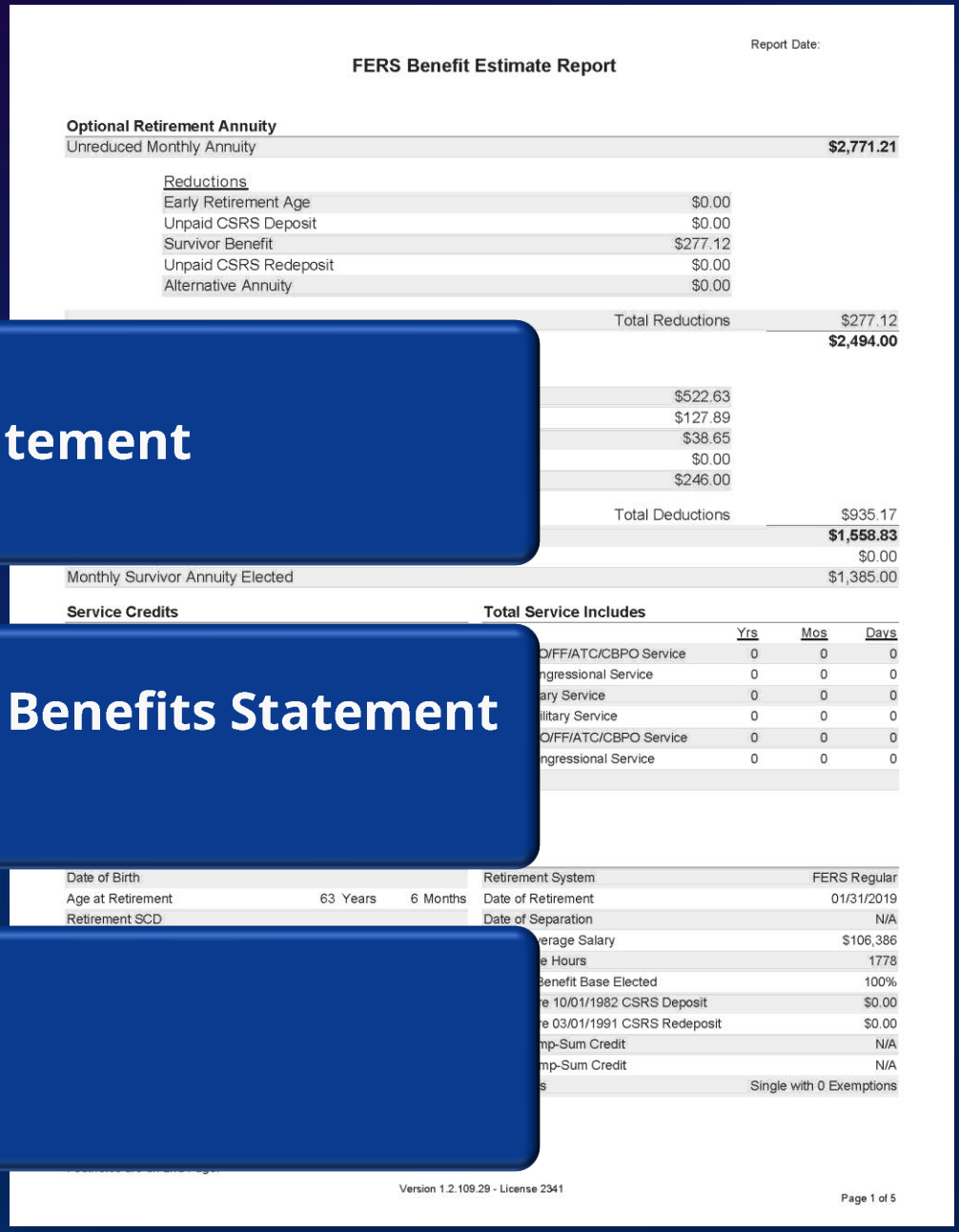
3. Subsequent meetings:
    - Finalize FERS Retirement Choices → Pension, FEGLI, TSP, etc.
    - TSP → Finalize the investment & income strategy
    - Open new accounts → Traditional IRA, Roth IRA, after-tax brokerage
    - Ongoing Review → Review the plan on an ongoing basis, adjust as needed

What items do I need for the first meeting?

Items You'll Need

For the First Meeting

- Copy of a recent Leave and Earnings Statement
- Copy of your Retirement Estimate, FERS Benefits Statement *(from Employee Express/MyPay)*
- Copy of a recent TSP Statement



Report Date:

FERS Benefit Estimate Report

Optional Retirement Annuity

Unreduced Monthly Annuity	**$2,771.21**

Reductions

Early Retirement Age	$0.00
Unpaid CSRS Deposit	$0.00
Survivor Benefit	$277.12
Unpaid CSRS Redeposit	$0.00
Alternative Annuity	$0.00
Total Reductions	$277.12
	$2,494.00

	$522.63
	$127.89
	$38.65
	$0.00
	$246.00
Total Deductions	$935.17
	$1,558.83
	$0.00
Monthly Survivor Annuity Elected	$1,385.00

Service Credits

Total Service Includes

	Yrs	Mos	Days
O/FF/ATC/CBPO Service	0	0	0
ngressional Service	0	0	0
ary Service	0	0	0
ilitary Service	0	0	0
O/FF/ATC/CBPO Service	0	0	0
ngressional Service	0	0	0

Date of Birth		Retirement System	FERS Regular
Age at Retirement	63 Years 6 Months	Date of Retirement	01/31/2019
Retirement SCD		Date of Separation	N/A
		erage Salary	$106,386
		e Hours	1778
		Benefit Base Elected	100%
		e 10/01/1982 CSRS Deposit	$0.00
		e 03/01/1991 CSRS Redeposit	$0.00
		mp-Sum Credit	N/A
		mp-Sum Credit	N/A
		s	Single with 0 Exemptions

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Items You'll Need

For the First Meeting

- Any other investment statements that you have identified as retirement money *(money you would like to include in your retirement plan)*
- Detail of life insurance policies, or Long-Term care policies you have that are in force *(coverage amounts, face amounts, premiums, etc.)*

Items You'll Need

For the First Meeting



Statement from Social Security
You can get one at www.socialsecurity.gov



Divorce Decree (if applicable)



Your spouse's benefits, if you are interested in developing both of your retirement plans

The Federal Retirement Podcast

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