

Pay + Benefits Watch

Retirement Made EZ

By Brittany Ballenstedt bballenstedt@govexec.com April 17, 2008

The Office of Personnel Management plans to make retirement EZ for federal employees this summer.

At a media briefing last week, Reginald Brown, director of modernization for OPM, said a tool that enables employees to calculate different annuity scenarios and process their retirement online will be available to some by early summer. The tool is part of OPM's new electronic retirement program, known as RetireEZ, and here is a sneak peek at how it works.

Your Benefits Resource already is available to 27 benefits officers across the federal government, who are using it to serve 26,000 employees at OPM, the General Services Administration, the National Archives and Records Administration, and the Railroad Retirement Board. RetireEZ will become available to other segments of the workforce as OPM continues a series of rollouts of RetireEZ through February 2009.

"If someone is near retirement and comes to the benefits officer and says, 'I want to start things going for my retirement,' they can sit down with RetireEZ and figure out what it would look like at different dates," said OPM Director Linda Springer.

Employees must go to a benefits officer to use the resource, but they eventually will be able to access it through their home or work computers. Because benefits officers are "more savvy," he said, OPM plans to gather feedback on whether the system needs "additional tweaking" before rolling it out to the rest of the population.

Here's what you can expect from RetireEZ:

After logging in to Your Benefits Resource using a secure user identification and password, you will be given information on dates you can retire with a reduced annuity and with a full annuity. The system then allows you to enter the date and age that you plan to retire. You would also enter information on what you believe your pay growth will be based on projected step and grade increases as well as any additional income, such as an inheritance or other retirement nest egg.

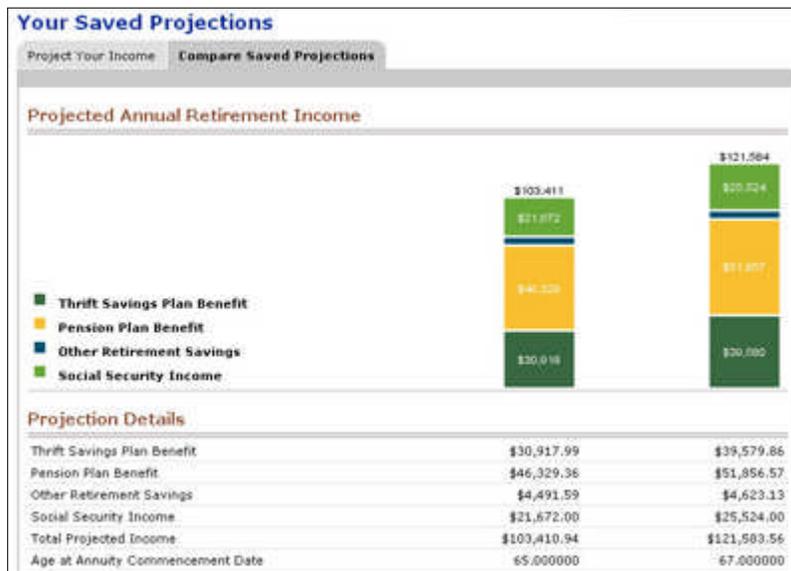
You also can enter projections on your Thrift Savings Plan balance based on current rates of return and future contributions. RetireEZ links directly to the TSP's Web site and automatically reads your balance for its calculations.

The screenshot shows a web form titled "Projection Assumptions" with several sections for entering retirement data:

- Retirement Dates:** Includes "Date of Separation" (03-01-2014) and "Annuity Commencing Date" (04-01-2014). It has radio buttons for "Key Dates" and "Other Date" with input fields for dates (mm-dd-yyyy) and a "Age" field (65).
- Pension:** Includes "Pay Growth Percent" (3.0%), "Other Retirement Savings" (\$50,000.00), and "Disability Retirement" (No).
- Thrift Savings:** Includes "Rate of Return" (8.0%), "Annual Contribution Percent" (5.0%), and "Get TSP Balance" (\$100,000.00).

At the bottom of the form is a "Redisplay Projection" button.

The system allows you to make up to 12 different assumptions based on your projected retirement age, pay growth and savings. You can compare at least three assumptions at one time, and the tool provides an estimate of what your retirement income would be based on your federal annuity, Social Security income, TSP benefit as well as any additional income you have entered into the system.



“Particularly for those in the [Federal Employees Retirement System], it's important they understand that there are many components to their annuity, and TSP is an important one,” said Thomas O’Keefe, director of RetireEZ. “If they go into the system five to 10 years ahead of their retirement and model, they might get a good appreciation for how much they should be putting into their TSP and be better prepared for their retirement.” After reviewing the various retirement scenarios, you can process your retirement online. You would choose a date of separation, an annuity start date and enter any survivor information. The system will automatically include special details about your employment, if, say, you served as a law enforcement officer or air traffic controller and have special rules surrounding your service, O’Keefe said.

Federal Employees Retirement System FERS Election

Your Designation	SSN	Relationship	Birth Date
JANE DOE	489-17-9464	Spouse	01-01-1950

Choose the form of payment you want to receive on 01-01-2008. Then choose **Continue**.

Form of Payment	Monthly Payments	
	Payable To You	Payable Upon Your Death
<input type="radio"/> Life Only Annuity	\$1,390.00	\$0.00
<input checked="" type="radio"/> Full Survivor Only Annuity If your designation dies before you, your amount will increase to \$1,390.	\$1,251.00	\$695.00
<input type="radio"/> Partial Survivor Only Annuity If your designation dies before you, your amount will increase to \$1,390.	\$1,320.00	\$347.00

You also would make choices about your pension, opting for a life-only, full survivor or partial survivor annuity. The final step is choosing health and life insurance plans and to complete your enrollment.

Enroll in Your Benefits

Choose a plan name in the table below to see a list of available options and make changes.

Coverage as of 01-01-2008

Plan	Monthly
FEHB	\$134.66
Coverage	
104- Blue Cross and Blue Shield Service Benefit Plan- Standard-Self	
FEGLI Basic	\$16.90
75% Reduction [†]	
Current Coverage \$52,000	
Coverage Before Reduction \$52,000	
Monthly Reduction \$1,040	
Coverage After Final Reduction \$13,000	
[†] If you've chosen reduced coverage, automatic coverage reductions will begin after age 65.	
Your Cost	\$151.56

Your Total Premium

Your Total	Monthly
Your Cost	\$151.56

Confirm Your Choices

Within three business days, you should receive a package with forms for your signature, O'Keefe said. Once the package is returned and the employee is officially released from his or her agency, the retiree will begin receiving an annuity from OPM.

OPM is still working out some kinks in the system. As a safeguard, the agency has been using RetireEZ alongside its legacy paper-based system to ensure that data matches up. In a report sent to Congress in March, OPM said four of the 34 retirements processed under RetireEZ did not match up with the legacy calculation.

Brown said the discrepancy is because the people who entered paper documents into the system did not catch pertinent information often written in margins or on Post-It notes.

Brown did not indicate when OPM would make the full transition to RetireEZ. "Once we get the data stabilized, we'll make a decision on whether we'll continue the legacy system," he said.

Extending Your Benefits Resource to all federal employees, however, will add extra accountability to RetireEZ, as employees will be able to review their personal information and report any errors long before their retirement, said Susan Bryant, director of communications.

"If I find [an error] now, and I'm going to retire 10 years from now, I'm going to get my full check when I retire," Bryant said. "The point of the system is to get people their retirement checks fast."

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