



Service Officer Guide

NARFE
PROTECTING YOUR FUTURE

Since 1921

Welcome, NARFE Service Officers

FOREWORD

This guide supports the men and women of NARFE who, as service officers, give of their time and effort to help members with retirement benefit-related issues.

The purpose of this guide is to assist chapter and federation service officers in their duties, principally at the chapter level. The aim is to provide NARFE members, their families and survivors with (1) assistance in contacting the Office of Personnel Management (OPM) concerning benefits and programs, such as civil service annuities, survivor benefits, life insurance, income tax-withholding from annuities and health insurance; and (2) information on other important programs, such as Medicare, Social Security and veterans' benefits.

This guide will be reviewed frequently, particularly after major legislation is passed or extensively revised federal regulations affecting annuitants and survivors are published. If appropriate, it will then be updated or revised.

It is important that all service officers have a personal computer, printer and Internet access in order to provide the best service to members. More and more often, OPM and other federal benefits agencies are reducing, and in many instances no longer making available, paper forms and information. Instead, these materials are being made available only online.

Suggestions for improving the guide are welcome. They should be sent to the Federal Benefits Service Department.

Federal Benefits Service Department
NARFE Headquarters
606 N. Washington St.
Alexandria, VA 22314-1914
703-838-7760 • 703-838-7782 (fax)
Email: fedbenefits@narfe.org
www.narfe.org

TABLE OF CONTENTS

Chapter 1:	NARFE’s Federal Benefits Program1
	Federal Benefits Service Department1
	Federation and Chapter Service Officers..... 1
Chapter 2:	The Office of Personnel Management 3
	Basic Information 3
	Contacting OPM..... 4
Chapter 3:	Processing Address Changes 5
Chapter 4:	When an Annuitant Dies 6
	Reporting a Death 6
	OPM Procedures on Notification 7
	Life and Health Insurance 8
Chapter 5:	Survivor Monthly Benefits 9
	Surviving Spouses9
	Surviving Dependent Child(ren)11
	When a Survivor Annuitant Dies 11
	When the Spouse of an Annuitant Dies 12
Chapter 6:	Changes in Marital Status Post-Retirement 13
	Marriage or Remarriage After Retirement 13
	Former Spouse Benefits.....13
	Health Benefits Coverage for New Spouses 14
Chapter 7:	Federal and State Income-Tax Withholding15
Chapter 8:	Federal Employees Health Benefits Program 17
	Enrollment Categories 17
	Continuing Enrollment Post-Retirement18
	Enrollment Changes 20
	Premiums 20
	The FEHBP and Medicare..... 21
	Premium Conversion..... 21
	Self-Only vs. Family Enrollment.....22
	Claims22
Chapter 9:	The Long-Term Care Insurance Program 23
Chapter 10:	Federal Employees’ Group Life Insurance 24
	Eligibility to Continue Coverage Into Retirement . 24
	Basic Insurance Amount and Reduction Options.. 24
	Types of FEGLI Benefits and Premiums..... 25
	Method of Payment 27
	Assignment and Living Benefits..... 27

Chapter 11:	The Federal Employees Retirement System	32
	Basic Benefits	29
	Postponed Annuity	30
	FERS Annuity Supplement.....	30
	Disability Benefits	30
	Death Benefits.....	31
Chapter 12:	The Civil Service Retirement System	32
	Eligibility Requirements.....	32
	Retirement Estimates	32
	CSRS Offset Retirements	33
Chapter 13:	Social Security	35
	Remarriage At or After Age 60	35
	Creating an Online Account	35
	Verifying Earnings Records	36
	Government Pension Offset	36
	Windfall Elimination Provision.....	37
Chapter 14:	Other Benefits	38
	Unemployment Benefits.....	38
	Veterans' Benefits	38
	Benefits Under FECA	38
	Services for Senior Citizens	40
	Foreign Service and CIA Retirements.....	40
Chapter 15:	Medicare	41
	Eligibility	41
	Signing Up for Medicare	42
	Enrollment Periods	42
	Premiums	43
	Medicare and the FEHBP.....	45
Chapter 16:	References (Forms & Publications)	47
Appendix I:	CSRS Retirement Table	48
Appendix II:	FERS Retirement Table	49
Appendix III:	Medicare Costs for 2013	50
Appendix IV:	Useful Contacts	53
Index	56

NARFE'S FEDERAL BENEFITS PROGRAM

CHAPTER I

FEDERAL BENEFITS SERVICE DEPARTMENT

The Federal Benefits Service Department was established to support state and local chapters in providing answers to members' retirement benefits questions, as well as to provide federal benefits expertise to the National Officers and senior staff at NARFE Headquarters.

Assistance in answering questions and providing agency contacts and resources is a valuable service available to all NARFE members through NARFE Service Centers, chapter and federation service officers, as well as the Federal Benefits Service Department. The service program operates principally at the chapter level through personal contact between the service officer and the individual member.

FEDERATION SERVICE OFFICERS

Each federation service officer should strongly encourage chapter presidents to appoint a service officer and, in medium-size and large chapters, a service committee. Federation service officers also should assist all chapters and service officers in developing strong, responsive service programs.

A properly operated service program is an excellent recruiting and retention tool when this benefit is widely publicized. It may be one of the main attractions for nonmember retirees, survivor annuitants and potential retirees in their decision to join NARFE and a local chapter. Thus, the federation service officer should work with all district officers and chapter service officers in the federation in continually seeking ways to improve the program, while informing nonmembers of its benefits.

CHAPTER SERVICE OFFICERS

Chapter service officers are key figures in the operation of an efficient and effective service program. He or she should focus on (1) helping individual chapter members, their families and survivors make proper contacts as outlined in this manual; and (2) developing interest in the service program among other members. Then, the chapter president can appoint a service committee with the service officer as chairman. Membership on the committee is the best preparation for becoming the next chapter service officer.

On page 5 of the *Chapter & Federation Officers Manual* (F-10) and in *NARFE Duties and Responsibilities: Chapter Service Officer* (F-58), we suggest that the service officer become knowledgeable about matters of paramount concern to chapter members, including:

1. Federal life insurance and health benefits;
2. Survivor benefits under current Office of Personnel Management (OPM) regulations;
3. Change of beneficiary procedures;
4. Death benefits;
5. State and federal income taxes, state inheritance taxes; and
6. Social Security requirements.

The service officer also should assist members with problems involving the issues listed above and in preparing reports and forms regarding claims submitted by an annuitant, spouse or survivor.

SUPPLEMENTAL INFORMATION

OPM produces two pamphlets, RI 20-59, “Information for Annuitants,” and RI 25-26, “Information for Survivor Annuitants.” These pamphlets answer questions most frequently asked by retirees, survivors and their families. The pamphlets update changes in Civil Service Retirement System laws and regulations. Two other pamphlets deal with the Federal Employees Retirement System (FERS): RI 90-8, “Information for FERS Annuitants,” and RI 90-12, “Information for FERS Survivor Annuitants.” The pamphlets are not available from NARFE Headquarters. It may be possible to obtain a copy of each pamphlet by calling 888-767-6738 (202-606-0500 in the Washington, DC, metropolitan calling area); or by writing to OPM, Retirement Operations Center, Boyers, PA 16017-0045. Bulk supplies are not available. However, retirees and survivors are given a copy when they are added to the annuity rolls. For those with computer access, these pamphlets and others are available to view and print at www.opm.gov/retire/html/library/index.asp.

NARFE also publishes *NARFE Insider*, a quarterly newsletter that is sent electronically to chapter and federation service officers, presidents and editors, federation district officers and field vice presidents. It also is available on the NARFE website (click on Officer Resources on the Members Home Page, then click on “Newsletters” in the left panel). *NARFE Insider* includes the latest information on topics that generate the most frequently asked questions by federal retirees and survivors. These generally concern:

1. Annuity payments (amount, direct deposit, cost-of-living adjustments);
2. Income-tax withholding (federal and state);
3. Entitlement to survivor benefits;
4. Open Season for the Federal Employees Health Benefits Program (FEHBP);
5. Separation, divorce and remarriage (effect on annuity and the FEHBP);
6. Federal Employees’ Group Life Insurance;
7. Designation of beneficiaries;
8. Filing for death benefits; and
9. Disability.

Chapter service officers and members of chapter service committees should make a special effort to read this newsletter. Frequent reference to selected items from the *NARFE Insider* at chapter meetings and reprinted in chapter and federation newsletters will greatly enhance member awareness of the availability of NARFE service officers, both locally and nationally, as sources of information for, and assistance with, their problems. In addition, NARFE pamphlet F-107, “Service Officers and Centers, What Every NARFE Member Needs to Know,” summarizes the service officer and service center volunteer function for NARFE members and prospective members.

THE OFFICE OF PERSONNEL MANAGEMENT

CHAPTER 2

BASIC INFORMATION

The Office of Personnel Management (OPM) administers Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) benefits for employees who were covered under these two systems. The majority of civilian federal employees – about 95 percent – are covered under these two retirement systems, including all members of Congress. There are almost 30 other federal retirement systems that are not administered by OPM, including the CIA, the military, federal judges and Foreign Service Officers.

While still working, employees must contact their agency human resources or payroll office for answers to their retirement benefits questions. OPM does not have employees' Official Personnel Folders or current records, and cannot provide them with case-specific information. After retirement, OPM is the human resources and payroll office for retired employees covered under the CSRS and FERS.

The Retirement Services Office at OPM is responsible for the day-to-day processing of civil service retirement and benefits. One part of this office, the Retirement Operations Center (ROC), is located in a large converted limestone mine in Boyers, PA, outside of Pittsburgh. Another part, the Customer Service Center, is located in Pittsburgh. A third part is located at OPM Headquarters in Washington, DC.

THE ROC

The ROC houses literally tens of millions of physical retirement records.

1. All retirement-related correspondence sent to OPM first goes to the ROC to be associated with a retirement case before being routed to an office for action and response.
2. All new retirement submissions go to the ROC for assembly and assignment of a unique retirement claim number.
3. Interim payments to new retirees are initiated at the ROC.
4. All applications for survivor benefits are processed at the ROC.
5. About half of all new retirement claims also are processed at the ROC.

THE CUSTOMER SERVICE CENTER

The Customer Service Center is where the main OPM call center is located.

OPM HEADQUARTERS

At OPM Headquarters there also is processing of initial retirement claims, court-ordered benefits, health insurance benefits processing, disability retirement cases, reconsideration and appeals, students and surveys. A Priority Correspondence Unit, responsible for responding to congressional and White House correspondence, is based at OPM Headquarters.

OPM-ISSUED PERSONAL IDENTIFICATION NUMBER

After OPM finalizes a retirement claim, it issues an individualized booklet explaining the person's retirement benefits. In a separate mailing, OPM assigns the individual a personal identification number (PIN) that he or she can use for online viewing or making changes to retirement records. It is extremely helpful for the retiree or survivor to have his or her PIN and use it. Currently, if the PIN is not used in a year, OPM cancels it, and the annuitant must request to be issued a new one. It takes two to three weeks for a new PIN to arrive in the mail.

THE OPM WEBSITE

OPM's website – www.opm.gov – is a great source of information on just about everything related to retirement and insurance benefits. The site not only contains the Federal Employees Health Benefits Program plan brochures, which can be downloaded, but also a variety of manuals, forms and calculators. Make yourself aware of what is on the site and use it.

OPM also provides retirement services online. Go to the OPM website at www.opm.gov. Click on “Retirees and Families” in the left panel, then click on “Services Online.” Once a retiree receives a PIN from OPM, the retiree can: update his or her email address; change tax withholding; view/print/request a duplicate form 1099-R; change his or her PIN; view the status of his or her case while in interim pay; sign up for direct deposit; change his or her mailing address; and a number of other actions.

FEDERAL BENEFITS CHANGES

You can keep up on the latest benefit information OPM provides to federal agencies by subscribing to OPM's Benefits Administration Information list. You will receive by email all Benefits Administration Letters, weekly Retirement Readiness NOW tips and other updates. The subscription is free and signing up is easy. Go to http://apps.opm.gov/Listserv_Apps/list-sub.cfm and choose BENEFITSINFO from the list. OPM also posts up-to-date information on Twitter at <http://twitter.com/#!/FedRetireInfo>.

CONTACTING OPM

Service officers must have the retiree's CSA or CSF retirement claim number when contacting OPM.

Correspondence: U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Phone: 888-767-6738
202-606-0500 (in the Washington, DC, calling area)
TTY: 800-878-5707

Hours of Operation: 7:30 a.m.-7:45 p.m. EST

Email: retire@opm.gov

Fax: 724-794-6633

PROCESSING ADDRESS CHANGES

CHAPTER 3

The Office of Personnel Management (OPM) mails statements of annuity payments and all retirement and insurance program notices (changes in cost-of-living adjustments and health plan costs, Open Season dates, etc.) to the correspondence address each annuitant designates. It is very important that annuitants and survivor annuitants notify OPM of a mailing address change. OPM requires responses to surveys and notices. If mailed to the wrong address, and the annuitant does not respond within a certain period of time, OPM may stop the individual's payments, or terminate his or her health benefits enrollment, or other benefit.

Since March 1, 2013, all OPM annuity payments to retirees living in the United States are being made either through direct deposit to a financial institution or by Direct Express, a debit card issued by the Treasury Department. Paper checks are no longer issued by the Treasury Department for federal benefit payments. This includes Social Security, Department of Veterans Affairs disability compensation and pension benefits, and Railroad Retirement Board pensions.

International direct deposit is available to civil service retirees residing in Canada, Panama, France, Germany, Ireland, Italy, Spain, the United Kingdom, Greece, Japan and Australia. CAUTION: Annuitants should not close accounts at their old bank until after the first payment is received at their new bank. Waiting until annuitants know for sure that their payment is being directly deposited into their new account avoids payments being returned by the bank to the Treasury because of a closed account and results in delays in having that payment re-sent to the correct new account.

For initial sign-up or changes to a direct deposit address, individuals can go to their financial institution and complete form SF 1199A, and either mail it or fax it to OPM.

OPM also accepts mailing and payment changes over the phone. For direct deposit changes, OPM will need the financial institution's routing number and the individual's account number.

Use OPM's Services Online at www.servicesonline.opm.gov.

To establish or change an email address with OPM, call OPM's main phone number at 888-767-6738 (202-606-0500 in the Washington, DC, calling area) or use Services Online.

WHEN AN ANNUITANT DIES

The time when chapter service officers are called on most often is when a retiree or a survivor of a retiree passes away. At a time of grief and sadness, the service officer can provide assistance and information that often is of comfort to the widow or widower and family. For many members and spouses, contacting a service officer is the only involvement they have had with their local chapter. The service officer now becomes the “face and voice” of NARFE for these members. Benefits for survivors, such as a survivor annuity and group life insurance, are not automatically paid upon the death of an annuitant; they must be applied for.

By helping the survivor fill out the proper applications, the chapter service officer can offer valuable assistance, assuring that action is taken promptly to (1) expedite processing by the Office of Personnel Management (OPM) and (2) avoid a delay in receipt of benefits by the survivors.

REPORTING A DEATH

When an annuitant dies, these basic initial steps should be taken immediately by the service officer or family member:

1. Notify OPM of the annuitant’s death.
 - a. Phone OPM at 888-767-6738 (202-606-0500 in the Washington, DC, calling area) or 724-794-5216 (OPM’s Retirement Operations Center); or send a fax to 724-794-1112.
 - b. Write to OPM, Retirement Operations Center, P.O. Box 45, Boyers, PA 16017-0045. (An OPM death notification letter can be downloaded from the Federal Benefits link on the NARFE website, www.narfe.org, under Retirement Planning & Benefits.)
 - c. Go online at <https://apps.opm.gov/retire/death/death.cfm>.
2. Return uncashed annuity checks in the deceased’s name.

All outstanding paper copy annuity checks payable to the deceased annuitant should be returned to the Treasury Department. Federal law does not permit the cashing or negotiating of a government check payable to a deceased person, even by an executor or administrator of an estate.

If the annuity payment were being directly deposited to a financial institution, notify the institution immediately of the annuitant’s date of death so it will not accept new annuity payments in the account and can return subsequent annuity payments to the Treasury Department. Or, the survivor can leave untouched any payment deposited in the account after the date of death. OPM will request that the Treasury Department recover the proper payment.

Information to include when reporting a death to OPM:

1. The deceased’s name, date of birth, retirement claim number or Social Security number.
2. Date of death.
3. Name of the individual reporting the death, and his or her relationship to the deceased, along with return contact information, such as address, telephone number or email address.
4. Name, address and phone number of the surviving spouse, if any.

OPM PROCEDURES ON NOTIFICATION OF AN ANNUITANT'S DEATH

Upon notification of an annuitant's death, OPM will stop further annuity payments, create a survivor file and assign a CSF number to it.

OPM has an express application for death benefits. This application will be used only for survivor cases that qualify to be placed in "Survivor Express" by OPM (see criteria below). All other Civil Service Retirement System (CSRS) death claims will continue to use form SF 2800, "Application for Death Benefits." The SF 3104 is used for all Federal Employees Retirement System (FERS) deaths. These forms are available online at OPM's website; however, please do not give these forms to survivors unless absolutely necessary. OPM will send them bar-coded forms to complete and return. The use of the bar-coded forms expedites the death claims process.

The new application, RI 25-51, will be sent to those who are placed in Survivor Express pay. The survivor annuitant will need to sign and return the application with any necessary corrections within 30 days. The survivor annuitant must choose to participate in direct deposit or Direct Express, and that section of the application should be completed before it is returned.

The following conditions must ALL be met for Survivor Express:

- The deceased annuitant was retired under the CSRS.
- The spouse is the survivor of record.
- The survivor is the spouse of the decedent (not a child or an insurable interest).
- The survivor lives at the annuitant's address of record.
- The payment address must be in the United States.
- There is no unpaid post-1956 military service deposit involved.
- No former spouse is due benefits.
- The date of death was not more than 60 days before the date of the report of the death.
- A Voluntary Contributions annuity is not involved.

If the survivor meets all the criteria, OPM will authorize the full, regular survivor annuity based on the initial report of the death. OPM will mail the survivor the "Survivor Express Application for Benefits," and FE-6, "Claim for Federal Employees' Group Life Insurance (FEGLI) Death Benefits," if life insurance is involved. A letter enclosed with the application will give the survivor 30 days in which to apply and submit a death certificate. If the application and death certificate are not submitted to OPM within 30 days, a letter giving the survivor another 15 days will be mailed to the survivor. If the application is not received after that, the payments will be suspended. If the application is never received, collection procedures will be initiated.

The claims of survivors who do not meet the above criteria for Survivor Express will be handled as quickly as possible after OPM receives the death benefits application and the death certificate. OPM will review the deceased's records and send the survivor form SF 2800, "Application for Death Benefits" (for CSRS survivors), or SF 3104, "Application for Death Benefits" (for FERS survivors). If the deceased were covered by life insurance under FEGLI, form FE-6, "Claim for Death Benefits, Federal Employees' Group Life Insurance Program," will be sent to the individual or individuals entitled to that benefit. A properly addressed return envelope will

accompany each form.

Carefully read the instructions that are printed with the application. Widows or widowers of annuitants, who are due a survivor annuity, can expect a Survivor Express payment in approximately three weeks. Others will receive the SF 2800 in three to four weeks. Lump-sum payments can be expected within six to eight weeks, once the SF 2800 is received at OPM's Retirement Operations Center.

FEGLI Claim Form

When form FE-6, the FEGLI claim form, is received, it should be filled out as soon as possible and returned to the office indicated. It must be accompanied by a certified death certificate. This application for benefits from FEGLI has self-explanatory instructions. Once the FEGLI office receives the certification of coverage from OPM and the FE-6 from the applicant, payment is normally made in two weeks. If there are competing claims, or there is a discrepancy in the FE-6, payment may be held up. If questions arise as the form is being completed, applicants can contact the FEGLI office at 800-633-4542.

Health Benefits Coverage Change

Once an account under the CSF number is created, OPM also will make a change in health coverage, if warranted. If the annuitant had family health insurance coverage, OPM will change it to self-only coverage for the surviving spouse if OPM's records indicate there are no other dependents eligible for coverage.

SURVIVOR MONTHLY BENEFITS

CHAPTER 5

SURVIVING SPOUSES

Service officers may be asked how much in survivor benefits the widow or widower can expect to receive from the Office of Personnel Management (OPM). The answer depends on what the deceased elected to provide at retirement.

The following chart shows the election options that the deceased **Civil Service Retirement System (CSRS)** retiree could have made.

TYPE OF ELECTION	REDUCTION IN RETIREE'S CSRS ANNUITY (ANNUAL AMOUNT)	AMOUNT OF SURVIVOR ANNUITY (ANNUAL AMOUNT WILL BE INCREASED BY ANY POST-RETIREMENT COLAS)
Current or former spouse: full survivor benefit (mandatory for current spouse unless spouse consents to a lesser or no benefit)	Reduction: 2-½% of first \$3,600 of annuity, plus 10% of part of annuity exceeding \$3,600	55% of retiree's full annuity before the survivor reduction
Current or former spouse: partial survivor benefit (current spouse must consent)	Reduction applies to whatever dollar amount retiree elected as the base for the survivor benefit: 2-½% of first \$3,600 elected, 10% of part of the elected annuity that exceeds \$3,600	55% of whatever dollar amount retiree elected as the base for the survivor benefit
Person having an insurable interest	10% reduction in retiree's annuity, plus another 5% reduction for every five years the person elected is younger than the retiree (maximum 40% reduction)	55% of the annuity remaining after the reduction for insurable interest election
No survivor benefit (current spouse must consent)	No survivor reduction unless there is a court order for former spouse	No survivor annuity or continuation of retiree's FEHBP for current spouse after retiree dies

The following chart shows the election options that the deceased **Federal Employees Retirement System (FERS)** retiree could have made.

TYPE OF ELECTION	REDUCTION IN RETIREE'S CSRS ANNUITY (ANNUAL AMOUNT)	AMOUNT OF SURVIVOR ANNUITY (ANNUAL AMOUNT WILL BE INCREASED BY ANY POST-RETIREMENT COLAS)
Current or former spouse: full survivor benefit (mandatory for current spouse unless spouse consents to a lesser or no benefit)	10% reduction in retiree's annuity (including any CSRS component)	50% of retiree's annuity (including any CSRS component) before the survivor reduction*
Current or former spouse: partial survivor benefit (current spouse must consent)	5% reduction in retiree's annuity (including any CSRS component)	25% of retiree's annuity (including any CSRS component) before the survivor reduction*
Person having an insurable interest	10% reduction in retiree's annuity, plus another 5% reduction for every five years the person elected is younger than the retiree (maximum 40% reduction)	55% of the annuity remaining after the reduction for insurable interest election
No survivor benefit (current spouse must consent)	No survivor reduction unless there is a court order for former spouse	No survivor annuity or continuation of retiree's FEHBP for current spouse after retiree dies**

* FERS disability retirees under age 62 at death: Survivor annuity will be 50% or 25% of what the retiree would have received if service had lasted to age 62.

** Plus no opportunity to enroll in the Federal Long Term Care Insurance Program.

SURVIVING DEPENDENT CHILD(REN)

Eligible dependent children of the deceased who are under age 18 and unmarried, or full-time students between ages 18 and 22 and unmarried, can be paid monthly survivor benefits. The children's survivor benefit is a specific dollar amount established by a formula in the governing U.S. Code and is increased by cost-of-living adjustments (COLAs). Below are the rates a child would receive if the death of the parent occurred in 2013. For a child on the annuity rolls prior to 2013, OPM will apply the 2013 COLA rate to the child's current annuity. Each child's rate is determined individually based on the circumstances described below.

When the child has a living parent who was married to the employee or retiree, the benefit payable (2013) to the child is the lesser of:

- \$494 per month per child; or
- \$1,484 per month divided by the number of eligible children.

When the child does not have a living parent who was married to the employee or retiree, the benefit payable to the child is the lesser of:

- \$593 per month per child; or
- \$1,781 per month divided by the number of eligible children.

The rates quoted above are payable from December 1, 2012, through November 30, 2013. They will be increased by future CSRS COLAs.

If the deceased retired under FERS or was an employee covered under FERS at the time of death, the combined benefit of all the children is reduced by the total amount of children's benefits that are payable (or would, upon proper application, be payable) under Title II of the Social Security Act for the same month to all children of the deceased, based on the total earnings of the deceased. In many cases, the FERS children's benefit is reduced to \$0.

Copies of Death Certificate

Because several federal and state procedures require a death certificate to be submitted with various reports and claims applications, it is recommended that several certified copies be obtained as soon as possible. Having extra certificates on hand permits each application to be filed without delay. OPM will accept a photocopy of the death certificate, but the Office of Federal Employees' Group Life Insurance (OFEGLI) must have a certified copy. If any of the beneficiaries are deceased, a photocopy of their death certificate is acceptable at OPM and OFEGLI.

WHEN A SURVIVOR ANNUITANT DIES

(Service officers should follow the steps listed in Chapter 4 about what to do when an annuitant dies.) Unlike an annuitant, the monthly survivor benefit to a survivor annuitant terminates upon death, effective the first day of the month in which the survivor died. For example, if the survivor died on June 5, the survivor annuity terminates on June 1.

Eligible unmarried dependent children can continue to receive a monthly survivor benefit up to age 18, or to age 22 if enrolled full time in an accredited school; or a lifetime, if found disabled and incapable of self-support prior to age 18. Benefits for disabled children will continue until they are no longer incapable of self-support or marry.

WHEN THE SPOUSE OF AN ANNUITANT DIES

Retirees should notify OPM when a spouse dies, even if the annuitant did not elect to provide a monthly survivor benefit upon death. Keeping information contained in the retirement files up-to-date ensures better service from OPM in the future. There is no specific form for this purpose.

If an annuity is being reduced to provide a survivor benefit, the reduction can be eliminated if:

1. The marriage ends by divorce, annulment or death of the annuitant's spouse (OPM must receive written notification and documentary proof, i.e., judicial decree of divorce or annulment, death certificate); or
2. The person named to receive an insurable interest survivor benefit dies (OPM must receive written notification and a death certificate).

The retiree also will probably need to request that OPM change his or her health benefits coverage from family to self-only coverage when the survivor dies or the marriage otherwise ends. If the retiree is enrolled under FEGLI for Option C Family benefits, he or she also would need to ask OPM for form FE-6 DEP, "Settlement of Claim; Option C-Family Life Insurance," and to terminate the Option C coverage.

CHANGES IN MARITAL STATUS POST-RETIREMENT

CHAPTER 6

MARRIAGE OR REMARRIAGE AFTER RETIREMENT

If an annuitant were married when retired and elected a reduced annuity to provide survivor protection for a spouse, but the marriage ended and the annuitant later remarried, survivor protection for the new spouse is governed by the following:

1. If the remarriage occurred before October 1, 1978, survivor protection would be automatically provided for the new spouse. However, if the reduction in annuity for survivor benefits were eliminated during the unmarried period prior to remarriage, the Office of Personnel Management (OPM) would need to be promptly notified of the remarriage because any overpayment in the annuity resulting from a delayed reduction would have to be recovered.
2. If the remarriage occurred on or after October 1, 1978, the survivor protection would not be automatic. If the marriage or remarriage occurred between October 1, 1978, and February 27, 1986, and the annuity commenced before May 7, 1985, the annuitant would have to have made an election for the survivor annuity within one year of marriage. However, the annuitant must have elected a survivor benefit for any spouse to whom the annuitant was married at the time of retirement.
3. An annuitant may elect to provide a survivor annuity if his or her annuity began on or after May 7, 1985, or if marriage occurs on or after February 26, 1986, regardless of the date the annuity began, as described below.
 - **Unmarried at time of retirement:** Notify OPM within two years after marriage to provide a survivor annuity benefit.
 - **Married at retirement:** Notify OPM within two years after remarriage to provide a survivor annuity for a new spouse.

The monthly annuity will be reduced, and the annuitant must pay a deposit, which equals the difference between the annuity paid and the annuity that would have been paid if the reduction had been in effect continuously since retirement, plus 6 percent annual interest. There is no longer the need for the annuitant to make this deposit by check. Instead, OPM will make a further reduction in the annuity based on age and the amount of deposit due. This is called an actuarial reduction because it is based on the life expectancy of the annuitant. So, in addition to the reduction in annuity to pay the survivor benefit, there will be an additional reduction to pay the deposit amount owed.

Notification by the annuitant must still be done in writing to OPM's Retirement Operations Center, and a copy of the marriage certificate must be included.

FORMER SPOUSE BENEFITS

For retirement purposes, a former spouse is someone from whom the annuitant is divorced.

Annuitants may make an election to provide a survivor annuity for a former spouse if:

1. Married to the former spouse for at least nine months before the marriage terminated;
2. Performed at least 18 months of civilian service subject to retirement deductions;
3. The former spouse has not remarried before age 55; and
4. The deposit as described in the previous section is paid.

Election of a survivor annuity for a former spouse must be filed within two years after the marriage ends. If a remarriage occurs before the former spouse election, the current spouse must consent to the election.

Restrictions on Post-Retirement Survivor Elections

1. OPM will honor the terms of a qualifying court order that requires a survivor annuity for an eligible former spouse in connection with a marriage that dissolved on or after May 7, 1985.
2. OPM cannot honor an election to the extent that it conflicts with the terms of a qualifying court order that requires a survivor annuity for a former spouse; and
3. OPM cannot honor an election if it causes combined current and former spouse Civil Service Retirement System survivor annuities to exceed 55 percent of the unreduced annuity (unless retirement was before May 7, 1985, and the election to provide a survivor annuity for a former spouse was made by September 8, 1987). The maximum survivor annuity under the Federal Employees Retirement System is 50 percent.

Note:

1. On or after May 28, 1986, if the marriage occurs before the annuity commenced, the annuitant can elect a survivor annuity at or within 18 months immediately after retirement for a current spouse.
2. If a post-retirement marriage takes place while the annuity is suspended because of an Office of Workers' Compensation Programs benefit, the time period for electing a survivor benefit begins on the effective date of restoration to the annuity rolls.
3. An annuitant may elect a survivor benefit for a spouse acquired after retirement within two years after the date any former spouse loses entitlement to a survivor annuity for which the retiree's annuity was reduced (unless the survivor annuity for the former spouse was based on an election made before September 9, 1987).

HEALTH BENEFITS COVERAGE FOR NEW SPOUSES

An annuitant enrolled in the Federal Employees Health Benefits Program (FEHBP) may cover a new spouse by electing to change from self-only to family enrollment based on the marriage. This can be done within 30 days prior to the marriage to 60 days after the marriage; otherwise, it must be done at the next annual Open Season.

A survivor annuitant's newly acquired spouse is NOT an eligible dependent under the FEHBP law and cannot be covered under his or her enrollment.

FEDERAL AND STATE INCOME-TAX WITHHOLDING

CHAPTER 7

FEDERAL INCOME TAX

All civil service annuities are taxable. The Office of Personnel Management (OPM) will withhold federal taxes based on the automatic default of “Married with three exemptions,” unless the annuitant instructs otherwise.

The federal tax-free portion cost of a retiree’s Civil Service Retirement System or Federal Employees Retirement System annuity (the retirement contributions paid as an employee and taxed) depends on the annuity starting date.

- If the annuity starting date is before July 2, 1986, either the three-year rule or the general rule would apply to the annuity.
- If the annuity starting date is after July 1, 1986, and before November 19, 1996, annuitants must use the general rule or the simplified method.
- If the annuity starting date is after November 18, 1996, annuitants must use the simplified method. OPM will show the taxable portion on most annuitants’ 1099-Rs (see below).

For a detailed explanation of how to determine the taxable portion of an annuity, request IRS publication 721, *Comprehensive Tax Guide to U.S. Civil Service Retirement Benefits*. Call the IRS at 800-829-3676. If, after reviewing the guide, an annuitant needs assistance in determining the taxable portion of his or her annuity, the annuitant should follow the directions in the publication for obtaining assistance from the IRS. OPM cannot help determine the taxable portion of an annuity under the IRS general rule.

An annuitant has three tax options:

1. Electing not to have any withholding;
2. Electing to have withholding based on the number of withholding allowances the annuitant claims; or
3. Electing to have a fixed-dollar amount withheld.

If the annuitant makes no active election, federal income tax will be withheld at the default rate – married with three exemptions.

Each year in late January, OPM mails out the federal income tax statement forms, “Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.” (CSA 1099-R for retiree annuitants and CSF 1099-R for survivor annuitants), with three copies (B, 2 and C). Copy B should be filed with the federal return. Copy 2 should be filed with the state tax return. Copy C is for the annuitant’s records. Individuals also can view and print their 1099-Rs by accessing OPM’s Services Online at www.servicesonline.opm.gov.

In combined award cases in which benefits are paid to a widow or widower and children or children only, the 1099-R will show the amount of the annuity paid to each individual.

CANCELLING FEDERAL TAX WITHHOLDING

OPM will accept a signed letter or telephone request for cancellation of federal tax withholding. For identification, the letter or call must contain:

1. The annuitant’s full name;

-
2. The annuitant's date of birth;
 3. The annuitant's Social Security number;
 4. The annuitant's claim number, with the CSA or CSF prefix.

Changes in tax withholding also can be made through the Office of Personnel Management's "Services Online" (see p. 4).

Federal income tax questions should be directed to the IRS at 800-829-1040. To obtain tax forms, call 800-829-3676 or go to the IRS website, www.irs.gov.

STATE INCOME TAX

OPM has invited all states to make arrangements for OPM to withhold state income tax from the annuities paid to their residents. All states that have income tax are now participating in the program. It is not necessary for annuitants to contact their state revenue office. In order to start, stop or change state income tax withholding, annuitants can go to OPM's Services Online to make the change or call OPM. Callers will need their CSA or CSF claim number, personal identification number and the two-letter address abbreviation for their state of residence.

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

CHAPTER 8

BASIC INFORMATION

Under the Federal Employees Health Benefits Program (FEHBP), federal employees, retirees, and eligible survivor annuitants and former spouses can choose health insurance coverage from a wide selection of plans during the annual Open Season. The FEHBP consists of different types of plans: fee for service, with a preferred provider organization (PPO); health maintenance organizations (HMOs); point of service; high-deductible health plans; and consumer-driven health plans. More than 230 health plan choices are offered under the FEHBP.

Benefits available under all plans include hospital care, surgical care, inpatient and outpatient care, obstetrical care, mental health and substance abuse care, and prescription drug coverage. There are no waiting periods or pre-existing condition limitations under the FEHBP, even if the employee or annuitant changes plans.

Fee-for-service plan enrollees can pay their own bills, then apply to their plans for reimbursement (when using nonpreferred providers), or they can use their health plan's PPOs. The provider then bills the plan, and the plan pays the provider according to the PPO contract. The PPO then bills the patient for the patient's coinsurance amount. Of the available fee-for-service plans, several are open to all enrollees, while others are available only to specific categories of employees. Currently, there are six open-to-all, fee-for-service plans and the Foreign Service Benefit Plan. Note: Postal employees pay different rates than other federal employees. Federal employees pay on a biweekly basis; federal retirees pay premiums on a monthly basis.

HMOs provide benefits in the form of medical service, rather than by reimbursing the patient or the provider. Group practice HMOs provide services through their own medical centers or clinics; some have their own hospitals. Individual practice HMOs provide care through the offices of their physician-members and through agreements with hospitals. There also are some mixed-model HMOs, which include doctors who practice in their own offices, as well as doctors who practice in medical groups. HMOs are available in most areas of the United States. Federal employees, retirees and eligible survivor annuitants and former spouses must live or work within a defined area to be eligible to enroll in a particular HMO.

Some fee-for-service plans and HMOs may offer a point-of-service plan. With these plans, there is a choice of using network providers or using non-network providers at an additional cost.

ENROLLMENT CATEGORIES

A self-only enrollment covers only the enrolled employee or annuitant. A self-and-family enrollment covers the enrollee, the spouse and all children under age 26.

An unmarried child over age 26 can be covered if the child is dependent on the employee or annuitant, and is incapable of self-support because of a physical or mental disability that existed before age 26. Also, a grandchild who lives with and is financially dependent on the enrolled annuitant or survivor can be covered if legally adopted, or if he or she is a foster child. No one else can be covered by a family enrollment. The law does not permit the Office of Personnel Management (OPM) or a plan to provide separate enrollment categories for self and spouse or for Medicare enrollees.

CONTINUING ENROLLMENT POST-RETIREMENT AND FOR SURVIVORS

Most employees who retire, and most survivors of deceased employees and retirees, continue their FEHBP coverage with the same benefits, at the same cost and with the same government contribution as for nonpostal employees. They also have most of the same opportunities that employees have to change plans, options and type of enrollment.

To continue FEHBP coverage, a retiring employee must:

- Be enrolled in an FEHBP plan at retirement;
- Retire on an immediate (not a deferred) annuity after at least five years of service or under the disability provisions of the retirement law;
- Have been continuously enrolled in the FEHBP in his or her own name, and/or have been covered by family enrollment of another employee or annuitant, or a combination of both, for at least the five years immediately before retiring or since the first opportunity to be enrolled, whichever is the shorter period.

Example: A federal employee married to a federal employee was covered by her husband's family enrollment for three years. Her husband left federal service, and his enrollment ended. If she enrolls in her own name immediately, without a break in coverage, and were enrolled for at least two more years, she would meet the five-year requirement. If the agency from which the employee retires finds that the retiring employee meets the above requirement, it transfers the enrollment to the applicable retirement system (OPM for most). If the retirement system agrees that the employee meets the requirements to continue enrollment, it continues that enrollment automatically.

Anyone who is covered by the Federal Employees Retirement System and is eligible for an immediate retirement annuity at separation from government service (i.e., an individual who has performed at least 10 years of creditable service and has attained his or her minimum retirement age) may postpone receipt of the annuity to avoid the 5-percent-per-year age reduction for taking benefits before age 62. The individual is eligible to re-enroll for FEHBP (and Federal Employees' Group Life Insurance) coverage when he or she begins to receive the postponed annuity, if he or she would meet the coverage and length of coverage requirements at the time of separation from federal service.

CONTINUATION OF COVERAGE FOR SURVIVORS

A survivor who was covered by a deceased employee's or annuitant's family enrollment at the time of that person's death, and who receives a survivor annuity, is eligible to continue the enrollment as a survivor annuitant. The enrollment is automatically continued when the retirement system acts on the survivor's application for an annuity. If the survivor is the only person eligible to be covered by the enrollment, the retirement system will change it to self-only.

An enrolled surviving spouse who remarries cannot cover the new spouse, even if the survivor continues to receive a survivor annuity. If the survivor annuitant also receives a civil service annuity as a retired federal employee and meets the requirements stated above for a retiring employee, the survivor could cancel the survivor health benefits enrollment and enroll as a retired employee, and then change to fam-

ily coverage to cover the new spouse.

OPM allows a survivor annuitant to cover a grandchild under his or her FEHBP family enrollment if legally adopted or as a foster child, if the criteria outlined below are met. The deciding factor is whether the grandchild would have qualified as a family member if the retired employee were still alive.

Annuitants and survivors who wish to apply for coverage of a qualified grandchild as a foster child should submit their requests to OPM, Retirement Benefits Branch, Washington, DC 20415, Attn: Foster Child Coverage. Below is a sample statement to be used for this purpose:

This is to certify that I have been informed of the following requirements for coverage of a grandchild in the Federal Employees Health Benefits Program:

- The child must be unmarried;
- The child must live with the enrollee in a regular parent-child relationship;
- The enrollee must contribute regular and substantial support for the child; and
- The enrollee must intend to raise the child into adulthood.

I am attaching proof of my regular and substantial support for _____. The child is unmarried and lives with me in a regular parent-child relationship. To the best of my knowledge and belief, I intend to raise _____ into adulthood.

I will immediately notify both OPM and my health insurance carrier if the child marries, moves out of my home or ceases to be financially dependent on me.

Name of enrollee

Date

CSA or CSF number

TEMPORARY CONTINUATION OF COVERAGE

Certain federal employees who lose FEHBP coverage and certain children and former spouses (but not current spouses) of employees or annuitants can continue FEHBP coverage from 18 months (employees) and for up to three years (for children and former spouses). They must pay the entire premium (both the government and employee/annuitant shares), plus two percent to cover OPM's administrative costs. This temporary continuation of coverage (TCC) right applies to:

- Enrolled employees who leave federal service for any reason except removal for gross misconduct.
- Enrolled employees who retire and are not eligible to continue FEHBP coverage as annuitants.
- Children of enrolled annuitants, employees or former employees who reach age 26, and disabled dependent children who recover from disability or become able to support themselves.
- Former spouses of enrolled employees or annuitants who were covered as family members at some time during the 18 months before divorce or annulment, and who either remarried before age 55 or are not entitled to a survivor annuity or to a portion of the employee's or annuitant's annuity.

This TCC right doesn't apply to widows, widowers and children who lose coverage because of the death of an annuitant and who are not eligible for survivor annuities.

To get information about the TCC, including premium rates and enrollment forms, the employee or annuitant, or the person who loses FEHBP coverage, should contact the agency personnel office (for employees) or OPM (for retirees) within 60 days after a child loses coverage, or after divorce or annulment of marriage. The individual should provide the employee's or annuitant's name and Social Security number, and the CSA or CSF number of an annuitant; the child's mailing address; and, for former spouses, a copy of the divorce or annulment decree. Civil service annuitants should send this information to OPM, Retirement Benefits Branch, Washington, DC 20415, Attn: FEHBP TCC.

A beneficiary of the TCC has certain opportunities to change enrollment, including Open Season. Coverage ends after three years. The child or former spouse then has the right to convert FEHBP coverage to a direct-pay, nongroup private contract with the plan in which enrolled when coverage ends.

ENROLLMENT CHANGES

Annuitants receive Open Season information and instructions from OPM. They receive their plans' new brochures directly from the plans.

Annuitants may call the Open Season telephone number provided in the Open Season information packet to make enrollment changes. Those who have Internet access also can make changes online on OPM's Open Season website.

Events Outside of Open Season

Annuitants may request enrollment changes based on certain events, such as:

- The addition of a new eligible family member;
- Upon eligibility for Medicare coverage at or after age 65; and
- Moving from the service area of the current HMO enrollment.

Opportunities to change FEHBP enrollments (Table of Permissible Changes) can be accessed on the OPM website at www.opm.gov/insure.

Federal employees should consult their human resources office for information on other opportunities to enroll or change their enrollments.

PREMIUMS

Premiums are set jointly by OPM and the plans, based on the plans' health insurance claims' experience and administrative expenses. Premiums must be sufficient to pay for benefits provided, actual administrative costs of the plans and OPM, and state insurance taxes, and to maintain reserve funds mandated by the FEHBP law and regulated by OPM.

Starting on January 1, 1999, a new formula went into effect for determining the government share of the premium. The old formula was replaced by a "fair share" formula. This formula divides premium costs based on a weighted average of the premiums of all plans in the FEHBP. This is intended to result in a more even distribution of premium increases or decreases in the future. On average, the government

pays 70 percent, and enrollees pay 30 percent of the total premium.

Postal employees (who have separate collective bargaining rights) receive a larger government contribution. When they retire, they become civil service annuitants. They and their survivors then pay the same premium as other retirees.

BENEFITS

All plans cover hospital and physician care, prescriptions, diagnostic X-rays, lab tests, treatment of mental illness, drug and alcohol abuse. Most plans cover durable medical equipment, physical therapy, hospice, home health and other less routine kinds of care. Some plans cover special benefit features, such as dental, chiropractic, vision, private duty nursing care and care in skilled nursing facilities.

For those not enrolled in Medicare Part B, the most important benefit is probably the Catastrophic Protection Benefit. That benefit puts a dollar limit on the amount a person has to pay out-of-pocket for his or her covered expenses. All FEHBP plans have catastrophic benefits. Fee-for-service plans describe their Catastrophic Protection Benefits in their brochures. Some HMOs don't have special language describing catastrophic benefits, but catastrophic coverage is built into their regular benefit structures.

MEDICARE AND THE FEHBP

Service officers are certain to get questions from members asking about Medicare enrollment when they near age 65. NARFE has a fact sheet on the pros and cons of Medicare Part B enrollment on the NARFE website under the Federal Benefits link.

If an employee is enrolled in Medicare and in an FEHBP plan, plan benefits are paid first, and Medicare benefits are paid second. Medicare pays first for annuitants, and FEHBP plans pay second, acting as Medicare supplements.

When Medicare pays first, FEHBP fee-for-service plans waive most of their own deductibles, coinsurance, and co-payments (except for prescription drugs) on expenses that are covered by both the FEHBP plan and the part of Medicare in which the patient is enrolled. Fee-for-service plans may reduce prescription drug co-payments but do not waive them for Medicare enrollees.

Annuitants enrolled in an HMO that covers most medical expenses may find little advantage to enrolling in Part B. However, those who don't enroll in Part B because they also are enrolled in an HMO and who later change to a fee-for-service plan may want to sign up for Part B. They can enroll in Part B during any annual Medicare open enrollment period (January-March each year), but the Part B premium will be increased by 10 percent for every full year they delayed signing up. The late enrollment penalty is applied every month and is permanent.

PREMIUM CONVERSION

Current federal employees enjoy premium conversion, meaning that their health insurance premiums are not included in their gross salary for federal income tax purposes. If a couple with a family option consists of a current employee and a retiree both eligible for FEHBP coverage, it is generally advantageous for the current employee spouse to be the enrollee in order to take advantage of the premium

conversion.

SELF-ONLY VS. FAMILY ENROLLMENT

If both husband and wife are federal employees or annuitants, each can enroll for self-only coverage, or one can enroll for family coverage. If they have unmarried children under age 26, or disabled dependent children over age 26 or eligible grandchildren, they should be in a family enrollment. If there are no dependents eligible to be covered, they might consider enrolling in separate self-only enrollments.

Some family enrollments cost more – others less – than two self-only enrollments. Another consideration is that some plans' Catastrophic Protection Benefit limits apply to all covered family members, while others apply separately to two or more family members. If each spouse enrolled in a self-only plan that has separate catastrophic limits for each enrollment, the catastrophic amount would double. However, catastrophic limits do not apply to most Medicare enrollees.

Separate self-only enrollments provide greater flexibility. The husband and wife don't have to be in the same plan or option. In addition, they don't have to worry about continued coverage when the spouse enrolled in family coverage dies, particularly in a situation where no survivor benefit is elected.

CLAIMS

Instructions for submitting claims are given in each plan's brochure. Claims must be submitted to the plans, not to OPM.

Claims Disputes

A person who disagrees with his or her plan's action on a claim has the right to have the claim reconsidered. OPM provides a two-step review procedure:

1. The enrollee has six months from the date of a plan's action on a claim to ask the plan to reconsider its action. Requests for reconsideration must be submitted to the plan office that first acted on a claim.
2. If the plan upholds its original decision or still doesn't pay as much as the enrollee thinks it should, the enrollee has the right to ask OPM to review the claim dispute. The address for claim disputes is: OPM, Insurance Services Programs, Health Insurance Group 1, 1900 E St. NW, Washington, DC 20415-3610. If OPM upholds the plan's decision or still doesn't allow as much as the enrollee thinks it should, the only remaining recourse is legal action against OPM. Legal action must be taken no later than December 31 of the third year after the year in which the disputed care was provided. For reference, enrollees should review the disputed claims process section of their FEHBP plan's current brochure.

For complete information on FEHBP plans and enrollment information for employees, former spouses, TCC, and retirees and survivors, go to www.opm.gov/insure; under Health, click on *Guides to Federal Benefits*.

THE LONG-TERM CARE INSURANCE PROGRAM

CHAPTER 9

The Federal Long Term Care Insurance Program (FLTCIP) offers insurance to help cover the costs of certain long-term care services, such as assistance performing activities of daily life. This type of insurance is not just for the elderly – people of all ages who have suffered a trauma through illness or injury and need an extended period of time to recover will benefit from this insurance. Most Federal Employees Health Benefits Program plans do not provide coverage that can be obtained through the FLTCIP while in a nursing home. The federal program is sponsored by the Office of Personnel Management (OPM) and underwritten by John Hancock Insurance. The program is administered by Long Term Care Partners, a private entity contracted by OPM. Federal employees and retirees, as well as qualified relatives, such as spouses, same-sex partners, adult children over age 18, parents and in-laws, may enroll at any time.

As with most long-term care insurance, there is an underwriting application process for determining if the individual is qualified to enroll in the federal program. If the individual does not pass the underwriting process, he or she may not be allowed to enroll.

Because there is no government-paid share of the premiums, OPM is *not* involved in the enrollment application process and should not be contacted for answers to questions.

Service Officers: Information on the FLTCIP is available by calling Long Term Care Partners at 800-582-3337 or going to its website at www.ltcfeds.com.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE

CHAPTER 10

Federal Employees' Group Life Insurance (FEGLI) is a benefit offered by the government to its employees. FEGLI is term life insurance designed to protect workers' families during the years their financial obligations are the greatest. For that reason, it is relatively inexpensive, and the face value reduces upon reaching age 65 by 2 percent per month until it reaches 25 percent of the original amount, unless the employee at retirement elects a partial or no reduction.

The Office of Personnel Management (OPM) administers the life insurance program and maintains the life insurance records of all federal retirees – even those who elected Office of Workers' Compensation Programs' benefits in lieu of retirement. Agency human resources offices keep the life insurance records on their own active employees.

OPM contracts with a private entity – the Office of Federal Group Life Insurance (OFEGLI) – to process and pay claims. At this time, Metropolitan Life Insurance is the underwriter for the program.

The government contributes two-thirds of the cost of the Basic FEGLI premiums, and the enrollee pays the other third. There is no government contribution for the Optional insurance; the enrollee, therefore, pays the full premium.

ELIGIBILITY TO CONTINUE COVERAGE INTO RETIREMENT

To be eligible to continue FEGLI coverage into retirement, the employee – similar to the requirements for continuing Federal Employees Health Benefits Program coverage – must have been enrolled in FEGLI at retirement and for the full five years prior to retirement, or at every opportunity if fewer than five years, and must retire on an immediate annuity (not a deferred annuity).

BASIC INSURANCE AMOUNT

The Basic insurance amount (BIA) is the employee's rate of basic pay, rounded up to the next \$1,000, plus \$2,000. The minimum BIA is \$10,000. For example:

Final Salary at retirement: \$52,444

BIA = \$55,000 (\$52,444 rounded up to \$53,000 + \$2,000 = \$55,000)

REDUCTION OPTIONS

At retirement, retirees can elect to have their full BIA reduce in value. Here are the election choices:

- 75 percent reduction: BIA reduces 2 percent each month after age 65 until 25 percent of the BIA.
- 50 percent reduction: BIA reduces 1 percent each month after age 65 until 50 percent of the BIA.
- No Reduction: 100 percent of the BIA remains for life.

TYPES OF FEGLI BENEFITS

TYPE OF FEGLI	AVAILABLE SINCE:	AMOUNT
Basic Insurance	1954	Annual pay rounded up to next thousand, plus \$2,000 (minimum = \$10,000) Double the amount if insured dies before age 36 (then decreases 10% per year, down to no extra benefit at age 45) Accidental Death and Dismemberment (AD&D) coverage: double the amount if insured dies or loses two members* 50 percent if loses one member. No AD&D for retirees
Standard Optional Insurance (Option A)	1968	\$10,000 In addition: AD&D coverage, except for retirees
Additional Optional Insurance (Option B)	1981	One to five times annual pay after rounding to next thousand
Family Optional Insurance (Option C)	1981 (1999 for more than one multiple)	One to five times: \$5,000 for spouse and \$2,500 for each child

*For Accidental Death & Dismemberment purposes, a “member” means a hand, foot or the sight in one eye.

ANNUITANT BASIC PREMIUM PER \$1,000 OF INSURANCE

ELECTION	MONTHLY WITHHOLDING FOR EACH \$1,000 OF BIA BEFORE AGE 65	MONTHLY WITHHOLDING FOR EACH \$1,000 OF BIA AFTER AGE 65
75% Reduction	\$0.3250	No cost
50% Reduction	\$0.9650	\$0.64
No Reduction	\$2.2650	\$1.94

RATES FOR OPTION A - STANDARD (MONTHLY)

AGE GROUP	BIWEEKLY
Under 35	\$0.02
35-39	\$0.03
40-44	\$0.05
45-49	\$0.08
50-54	\$0.13
55-59	\$0.23
60-64	\$0.52
65+	\$0.62

OPTION B PREMIUM PER \$1,000 OF INSURANCE

AGE BAND	BIWEEKLY	MONTHLY
Under 35	\$0.02	\$0.043
35-39	\$0.03	\$0.065
40-44	\$0.05	\$0.108
45-49	\$0.08	\$0.173
50-54	\$0.13	\$0.282
55-59	\$0.23	\$0.498
60-64	\$0.52	\$1.127
65-69	\$0.62	\$1.343
70-74	\$1.14	\$2.470
75-79	\$1.80	\$3.900
80 and over	\$2.40	\$5.200

OPTION C PREMIUM PER MULTIPLE OF INSURANCE

AGE BAND	BIWEEKLY	MONTHLY
Under 35	\$0.22	\$0.48
35-39	\$0.29	\$0.63
40-44	\$0.42	\$0.91
45-49	\$0.63	\$1.37
50-54	\$0.94	\$2.04
55-59	\$1.52	\$3.29
60-64	\$2.70	\$5.85
65-69	\$3.14	\$6.80
70-74	\$3.60	\$7.80
75-79	\$4.80	\$10.40
80 and over	\$6.60	\$14.30

Service Officers: For more information and the most current rates, go to www.opm.gov/insure/life/rates.

Most of the questions service officers receive will likely pertain to the current type and amount of the life insurance, or about designated beneficiaries. If asked how to find out what the designation of beneficiary form shows, the best advice is to have the individual complete a new form. The form for life insurance is SF 2823; it can be viewed on and downloaded from OPM's website under "Find Forms" in the right panel on the Main Home Page. By completing a new form, the member can be sure that his or her most current designation will be up-to-date. The new form will supersede any previous forms on file.

If the annuitant has no designation on file with OPM, he or she should be aware of the federal order of precedence for distribution:

- A court order on file that directs the insured to pay a specific individual; then
- To the beneficiary designated by the deceased insured annuitant;
- If there is no designated beneficiary, to the widow or widower;
- If none of the above, to the child or children of the deceased annuitant, with the share of any deceased child being distributed among descendants of that child;
- If none of the above, to the parents in equal shares or the entire amount to the surviving parent;
- If none of the above, to the executor or administrator of the estate;
- If none of the above, to the other next of kin who are entitled under the laws of the domicile of the insured at the date of death.

Service Officers: If asked how to find out what the current value is of the annuitant's FEGLI, advise him or her to email OPM at retire@opm.gov with the request.

METHOD OF PAYMENT

Effective January 4, 1994, OFEGLI changed the manner in which it pays life insurance proceeds to beneficiaries. FEGLI beneficiaries receiving less than \$5,000 will receive a single check for the entire amount.

Beneficiaries receiving \$5,000 or more will automatically receive a money-market-option account checkbook. Their FEGLI proceeds will begin earning interest immediately upon establishment of the account. They may write checks for \$250 or more, up to the full amount in the account, as soon as they receive their checkbook.

ASSIGNMENT OF LIFE INSURANCE AND LIVING BENEFITS

Effective October 3, 1994, annuitants may assign the ownership of life insurance to another person or persons, including an individual, a corporation or an irrevocable trust. Such an assignment gives the assignee permanent ownership of the life insurance. All the coverage, except Family Optional, must be assigned. If the assignment is to more than one person, percentage shares for each person must be specified. The assignee is able to designate a beneficiary, cancel the coverage, change the reduction schedule on Basic life insurance and take any other action the annuitant could take if the assignment had not been made. The annuitant must continue to pay the insurance premiums as though no assignment had been made.

Anyone interested in assigning his or her FEGLI coverage should request from OPM form RI 76-10, "Assignment of Federal Employees' Group Life Insurance." Complete instructions on assigning the FEGLI coverage are included with the form.

The decision to assign life insurance is the annuitant's alone and may be made only with his or her consent. Assignments are generally made to comply with the terms of a divorce court order, for inheritance tax purposes or to obtain cash before death.

To obtain cash before death, an enrollee can either assign the life insurance to a "viatical settlement" firm or elect a living benefit.

Viatical settlement firms buy the insurance policy. They often consider requests from individuals with life expectancies as long as 24 months. The annuitant can "shop" for the highest amount any firm pays. This may vary from 60 percent of the value of the insurance to 85 percent. Viatical settlement firms can often be located by consulting organizations that assist and counsel people with terminal illnesses.

Effective July 25, 1995, terminally ill annuitants may elect **living benefits** by applying to OFEGLI for all of their Basic life insurance proceeds. (Eligible employees may apply for Basic life insurance living benefits in increments of \$1,000.)

Federal employees can choose a full or partial living benefit. Annuitants and compensationers can elect only a full living benefit.

To be eligible for such a payment, the annuitant must have a documented medical prognosis of a life expectancy of nine months or less. OFEGLI will pay the annuitant the full value of Basic life insurance, minus 4.9 percent to cover lost interest. Contact OFEGLI at 800-633-4542 for information and to obtain form FE-8 to elect living benefits.

If an annuitant also is covered by Optional life insurance, this insurance will be payable to the survivors. Annuitants who elect Basic life insurance living benefits can later elect to assign any Optional life insurance. However, if an insured person has assigned his or her FEGLI coverage, he or she cannot elect a Basic life insurance living benefit.

THE FEDERAL EMPLOYEES RETIREMENT SYSTEM

CHAPTER 11

The Federal Employees Retirement System (FERS) is designed to coordinate with Social Security. FERS is a three-part, coordinated plan. It is based on Social Security (a social insurance system, which provides benefits, once the requirements have been met). Then, a defined-benefit annuity is added – the FERS basic annuity to reward long-term employment. Finally, the Thrift Savings Plan encourages federal employees to save for their retirement and extend financial protection from disability or death.

FERS became effective January 1, 1987. Almost all new employees hired after December 31, 1983, are automatically covered by FERS. Certain other federal employees have the option to transfer into FERS.

Employees covered by FERS receive Social Security credit and federal service retirement credit. FERS employees who have a Civil Service Retirement System (CSRS) retirement component in their FERS annuities are subject to the Windfall Elimination Provision. FERS employees who have at least five years of FERS coverage are exempt from the Government Pension Offset.

BASIC BENEFITS UNDER FERS

FERS retirement benefits are basically computed as 1 percent x each year of service x the high-three years' average salary, unless the employee retires at age 62 or later with 20 or more years of service. The formula then becomes 1.1 percent for each year of service.

IMMEDIATE RETIREMENT

FERS employees are entitled to an immediate retirement benefit if they meet one of the following sets of age and service requirements:

AGE	YEARS OF SERVICE
62	5
60	20
MRA*	30
MRA	10 (reduced benefit)**

* The minimum retirement age (MRA) ranges from 55-57.

** Reduced benefit means that, if an employee retires at the MRA with at least 10 but fewer than 30 years of service, the FERS benefit would be reduced at the rate of 5 percent a year for each year the employee is under age 62, unless the employee meets the age 60, with 20 years of service, standard.

<p>Formula for Most Employees: High-three average salary, multiplied by: 1% x total years and months of service; or 1.1% (if age 62 or over with at least 20 years of service)</p>	<p>Example: 22 years and 6 months of service (under age 62) High-three = \$50,000 1% x 22.5 = 22.5% .225 x \$50,000 = \$11,250 yearly annuity</p>
---	--

POSTPONED ANNUITY

Service Officers: This is not the same as a deferred annuity. Anyone who is covered under FERS and is eligible for an immediate retirement annuity at separation from government service (i.e., the individual has performed at least 10 years of creditable service and has attained his or her MRA) may postpone receipt of the annuity to avoid the 5 percent per year age reduction for taking benefits before age 62. The individual is eligible to re-enroll for Federal Employees Health Benefits Program and Federal Employees' Group Life Insurance coverage when he or she begins to receive the postponed annuity, if the individual met the coverage and length of coverage requirements at the time of separation from federal service.

FERS ANNUITY SUPPLEMENT

Under certain conditions, a special retirement supplement – the FERS Annuity Supplement – is paid as part of a FERS annuity until age 62. The FERS Annuity Supplement approximates the Social Security benefit earned while employed as a civilian under FERS. Credit for military service is not included in the supplement. The supplement also is subject to an earnings limitation from outside employment after retirement, which may reduce or eliminate the FERS Annuity Supplement.

Service Officers: At this time, the Office of Personnel Management (OPM) does not compute nor pay the supplement until after it has completed work on the retirement claim. This may cause financial hardship if it takes OPM several months to complete the claim.

DISABILITY BENEFITS

An employee must be unable to perform useful and efficient service in his or her current position because of disease or injury. To qualify for FERS disability benefits, the disabling condition must be expected to last at least one year, and the employee must have at least 18 months of creditable civilian service. The employee also is required to apply for Social Security disability benefits when applying for a FERS disability retirement.

The First Year

- 60 percent of high-three years' average pay minus
- 100 percent of any Social Security disability benefit payable

After the First Year

- 40 percent of high-three years' average pay minus
- 60 percent of any Social Security disability benefit payable

At Age 62

Disability recomputed to annuity due if disability had not occurred and work had continued to age 62, plus any Social Security to which entitled

BASIC DEATH BENEFIT UNDER FERS

Aside from the survivor benefits payable monthly (see Chapter 5), described previously under the Survivor Benefits section, when an employee covered by FERS dies while still working, the survivor may be eligible for the following basic death benefit:

50 percent of the employee's final salary, plus
\$28,093.53 on or after December 1, 2007, increased by CSRS cost-of-living allowances after that date.

BENEFITS TO CHILDREN

Survivor benefits to children of deceased employees or retirees who had 18 months of civilian service are paid either by FERS or by Social Security under a coordination of benefits formula (see Chapter 5).

THE CIVIL SERVICE RETIREMENT SYSTEM

Most current federal annuitants retired under the Civil Service Retirement System (CSRS). Only about 15 percent of the current federal workforce is still covered by this retirement system. All employees first hired after 1984 are under the Federal Employees Retirement System.

ELIGIBILITY REQUIREMENTS

Most employees will retire on a voluntary immediate retirement. To be eligible:

TYPE OF RETIREMENT	REQUIREMENTS
Voluntary Immediate Retirement	Five years of civilian service Covered under the CSRS as of separation date and for at least one year during the last two years prior to separation <u>Age and service requirements:</u> Age 55, 30 years of service Age 60, 20 years of service Age 62, five years of service

RETIREMENT ESTIMATES

The formula for computing a voluntary immediate retirement is:

High-three average salary, multiplied by: $1\frac{1}{2}\%$ x 1st 5 years of service
 $+ 1\frac{3}{4}\%$ x service between five and 10 years
 $+ 2\%$ x service over 10 years

Example:

22 years and 6 months of service

High-three = \$50,000

$$1.5\% \times 5 = 7.5\%$$

$$1.75\% \times 5 = 8.75\%$$

$$2.0\% \times 12.5 = 25.0\%$$

$$\text{Total } \% = 41.25\%$$

$$.4125 \times \$50,000 = \$20,625 \text{ yearly annuity}$$

Shortcut for Estimates

Years of service minus 2, x 2(%) x High-three

Example: 22.5 years minus 2 = 20.5 years x 2(%) = 41.0%

$$.410 \times \$50,000 = \$20,500$$

Service Officers: It is inadvisable to try to compute an annuity for an annuitant. First, you do not have access to the records needed to compute and make statutory adjustments in the computation. Second, individuals who think they have all the information needed often do not, and this can lead to miscalculations and disappointment. The best advice to provide is that the member should make an appointment to visit his or her agency retirement counselor (every agency is required to have one) and, if possible, attend a pre-retirement seminar. (NARFE members also can take advantage of eSEMINAR PLUS, an online pre-retirement course, which is

available for purchase at a special member discount. A link can be found on the NARFE website under the Federal Benefits link.)

CSRS OFFSET RETIREMENTS

Annuitants who are subject to the CSRS Offset were rehired as federal employees after a break in federal employment of 365 days or more, on or after January 1, 1984. These employees were covered by the CSRS and Social Security [Federal Insurance Contribution Act (FICA), which funds Social Security] at the same time. While they were federally employed, they paid the full amount of FICA; the difference between the retirement deduction withholding of 7 percent and the FICA tax was put in the Civil Service Retirement and Disability Fund.

CSRS Offset employees who retire are paid a full CSRS annuity until they are age 62. At age 62, the annuity must be reduced (or offset) by the amount of the person's Social Security benefit that is based on the CSRS Offset service. The Office of Personnel Management (OPM) must contact the Social Security Administration (SSA) to ask for the amount. This offset applies to survivor benefits as well: Spousal and children's annuities must be offset. The offset age for spouses and former spouses is 60. The law does not provide for the payment of a deposit in order to avoid this offset.

CSRS Offset disability annuitants are subject to the offset at any age if Social Security pays them a benefit based on the CSRS Offset service. These individuals are required to apply for Social Security disability benefits at the time they apply for CSRS disability retirement. If the SSA ever awards a benefit, the annuitant is obligated to inform OPM.

The reduction in the CSRS annuity begins on the first day of the month in which the annuitant is eligible for both the civil service annuity and a Social Security benefit. The offset amount is determined, using a formula prescribed by Congress. This formula is intended to estimate the value of the offset service in the Social Security benefit.

The offset reduction is the lesser of:

1. The difference between the Social Security monthly benefit amounts with and without CSRS Offset service; or
2. The product of the Social Security monthly benefit with offset service multiplied by a fraction, the numerator of which is the annuitant's total CSRS Offset service rounded to the nearest whole number of years and the denominator of which is 40.

For example:

SSA monthly benefit with federal offset service	\$400
SSA monthly benefit without federal offset service	\$200
Difference	\$200

CSRS offset service: 10 years and four months

$\frac{\$400 \times 10 \text{ years}}{40} = \frac{\$4,000}{40} = \$100$

The offset amount in this example would be \$100 a month.

Service Officers: Retirement benefits specialists in NARFE's Federal Benefits Service Department maintain regular and frequent personal contact with OPM. These contacts help to speed and clarify retirement actions affecting NARFE members and are possible because OPM conducts its adjudicating functions in the Washington, DC, area, except for a limited number of decentralized appeal facilities. Unfortunately, it is not possible for the Federal Benefits Service Department to act as liaison with benefit programs administered by agencies other than OPM (e.g., SSA, Department of Veterans Affairs, Department of Labor, etc.) because these functions are decentralized in field offices throughout the country.

However, being aware that many members may need minimal guidance in non-OPM benefit programs makes it desirable for some uniform information to be furnished. Service officers should bear in mind that it is preferable to provide routine or minimal information, or an address for contact purposes, rather than risk giving incomplete or erroneous advice. Generally, the best help is referral to an office certain to have the specific information needed to provide proper guidance. To assist service officers, some general guidance on several agencies and programs is set out in the following sections.

Service officers should maintain a list of local Social Security Administration (SSA) offices, their locations and telephone numbers. Many NARFE members receive Social Security benefits or have potential entitlement to such benefits. Others would be interested in learning more about the eligibility requirements.

In addition to local addresses and telephone numbers, service officers should obtain instructional material prepared by the SSA. The local office will furnish a modest supply of its numerous pamphlets providing guidance for Social Security recipients and potential beneficiaries. These informational materials also can be accessed through the Internet at www.ssa.gov. Some general guidance is set out below.

WHEN TO CONTACT THE SSA

There are several occasions when an individual should contact the SSA:

1. Before obtaining one's first job, because a Social Security number is required in order to get proper credit for Social Security earnings;
2. After a death in the immediate family to learn if either a survivor benefit or a lump-sum death payment is payable;
3. When someone in the immediate family is disabled to determine whether disability benefits are payable;
4. Upon reaching the eligibility age for Social Security benefits, which is age 65 for full benefits or as early as age 62 for reduced payments. To avoid paying a Medicare Part B penalty later, an individual should sign up for Medicare two or three months before reaching age 65.
5. Whenever there is a question about someone's Social Security coverage or benefits, or there is a need to report a change that will affect monthly benefits.

As an alternative, an individual may first call the SSA's nationwide toll-free number to obtain information or set up a local appointment, rather than contacting the local office directly. The number is 800-772-1213.

REMARRIAGE AT OR AFTER AGE 60

Widows, widowers or former spouses who remarry at or after age 60 can continue to receive survivor Social Security benefits without any reduction. In addition, if the new spouse is receiving Social Security benefits, a widow or widower may elect to take a dependent's benefit on the new spouse's work record if it would be larger.

This rule regarding remarriage does not apply to spouses under age 60. Upon remarriage, these individuals would no longer be eligible for such benefits. However, if the subsequent marriage ends, a widow, widower or the surviving divorced spouse may once again become entitled to that survivor benefit.

For more detailed information on Social Security benefits and updates in the law, it is strongly suggested that annuitants contact the SSA.

CREATING AN ONLINE ACCOUNT

The SSA has an online service for creating a personal Social Security account – *my Social Security*. The account can be created by going to the SSA website, www.socialsecurity.gov, and clicking on the tab at the top of the Main Home Page. A personal Social Security account is a valuable source of information that can be used at the beginning of someone's working years throughout the time an individual

is receiving Social Security benefits. Individuals also can apply online for retirement benefits; Medicare; and Supplemental Security Income, survivors or family benefits.

If receiving benefits, an individual can get a benefit verification letter (also see section below); check benefit and payment information and earnings record; change an address and phone number; and start or change a direct deposit of Social Security payments.

If not receiving benefits, an individual can use *my* Social Security online to get his or her Social Security Statement to review; estimates of retirement, disability and survivor benefits; his or her earnings record; and the estimated Social Security and Medicare taxes that the individual has paid.

VERIFYING EARNINGS RECORDS

Anyone can check his or her Social Security earnings record to ensure that all past earnings have been properly reported and request an estimate of benefits. An individual should fill out form SSA-700A, "Request for Earnings and Benefit Estimate Statement," sign and mail it to the address on the form. Copies of the form also can be obtained from any Social Security office or by calling the SSA at 800-772-1213 to request the form. Social Security earnings statements also can be obtained online by creating a *my* Social Security account with the SSA (see section above).

The Social Security earnings record will show annual earnings for each year (since 1951) in which an individual worked in jobs covered by Social Security, plus a combined total for any years worked under Social Security prior to 1951. The SSA also will compute the individual's eligibility for benefits and provide an estimate of the amount. If the earnings information does not correspond with an individual's own records, especially W-2 forms, he or she should contact the SSA without delay. The amount of Social Security payments, disability payments or survivor benefits is based on a worker's average earnings over a given period.

GOVERNMENT PENSION OFFSET

Social Security spousal benefits provide income to wives and husbands who have little or no Social Security benefits of their own. Since the beginning of the Social Security program, spousal benefits were intended for spouses who were financially dependent on their husbands or wives who worked at jobs covered by Social Security.

The Government Pension Offset affects individuals who receive their own federal, state or local government pensions based on their own government employment not covered by Social Security and who are eligible for a spousal, widow's or widower's benefit from the SSA. A Social Security spousal benefit will be offset if a government pension from work not covered by Social Security is paid. A federal survivor annuitant who does not receive his or her own earned federal annuity is not affected by the offset.

WINDFALL ELIMINATION PROVISION

Civil Service Retirement System (CSRS) retirees could find their earned Social Security benefits reduced as a result of the Windfall Elimination Provision (WEP). This reduction also applies to individuals retiring under the Federal Employees Retirement System who have a CSRS component in their annuity computation. The exceptions are individuals with 21 to 30 years of substantial work earnings subject to Social Security withholding in addition to their federal CSRS-covered service. The reduction under the WEP can reduce an individual's earned Social Security benefit by as much as two-thirds.

Service Officers: To find out more about the WEP, go to the Federal Benefits link on the NARFE website, www.narfe.org, and look under "Social Security." For a chart showing the amount that Social Security benefits can be reduced because of the WEP, go to www.socialsecurity.gov/retire2/wep-chart.htm.

OTHER BENEFITS

UNEMPLOYMENT BENEFITS

Unemployment compensation is regulated by an individual's state of residency and is administered by the state's department of security (or similar title). These payments assist a worker who involuntarily left a job and is seeking another job. Benefits are based on earnings in the job from which the worker was separated.

Public Law 94-566, the Federal Unemployment Compensation Act amendment of 1976, requires that an individual's weekly unemployment insurance benefits be reduced by the amount of any pension, retirement pay, annuity or other periodic payment based on the previous work history of the individual.

While Public Law 96-364, effective October 1, 1980, changed the reduction factors of the above-mentioned law, individual states are given discretionary powers in implementing the 1980 law.

For specific information regarding eligibility for unemployment compensation in a specific case, the service officer should refer the individual to the local state unemployment compensation office.

VETERANS' BENEFITS

Many NARFE members, as military veterans, meet or will meet requirements for benefits, such as medical treatment at a Department of Veterans Affairs (VA) facility; service-connected disability compensation; nonservice-connected disability pension; dependency and indemnity compensation if the death is due to a service-connected disability; life insurance; and a burial allowance. The best source of authoritative information regarding these benefits is the nearest VA office.

A supply of the latest edition of the VA publication *Federal Benefits for Veterans and Dependents* can be obtained from the nearest VA facility. It also is accessible online at www.va.gov and on the Federal Benefits link on the NARFE website, www.narfe.org. The publication lists VA offices, medical facilities and cemetery locations throughout the country.

NARFE service officers should obtain all applicable literature from a VA office and conduct a seminar on VA benefits for interested veterans who are chapter members. For VA benefits information, call 800-827-1000 or visit the VA website.

BENEFITS UNDER THE FEDERAL EMPLOYEES' COMPENSATION ACT

An employee, disabled or injured in the line of duty, may be eligible for compensation for work-related injuries under the Federal Employees' Compensation Act (FECA), administered by the Office of Workers' Compensation Programs (OWCP) at the Department of Labor. Adjudication and payment of claims are decentralized in district offices around the country.

Generally, an individual may not receive a federal annuity and workers' compensation based on the same period of work. However, he or she may apply under both retirement and compensation systems and, if eligible under both, elect the one paying the higher benefit. The other benefit would then be suspended.

INFORMATION AND FILING CLAIMS

Claims for workers' compensation and inquiries about a specific case should be directed to the district office for the claimant's state or other geographical location. The decision on a claim will be made at the district office. Information about OWCP benefits can be obtained from the Department of Labor website, www.dol.gov.

HEARINGS, RECONSIDERATION AND APPEALS

Within 30 days of the date of the decision, a claimant may ask for a hearing before an OWCP representative by writing to:

OWCP
Branch of Hearings and Review
P.O. Box 37117
Washington, DC 20013-7117

The hearing, informal in nature, will be held at a convenient location. The claimant may present evidence, oral or written, and may be represented at the hearing by anyone he or she designates in writing. As soon as possible after the hearing, the OWCP representative's decision will be mailed to the claimant.

If the decision is unfavorable, and the claimant has evidence not yet submitted, he or she may write to the district office and ask for reconsideration. There is no special form, but the request must be in writing, accompanied by any new evidence (e.g., medical reports, affidavits and statements). Reconsideration will be by someone other than the person who made the original decision. Note: A claimant may initially request reconsideration of the original decision without requesting a hearing but, in that event, he or she is not entitled to a hearing after reconsideration.

If the claimant believes that all available evidence has been submitted, he or she may appeal to the OWCP for review of the decision by writing to:

Employees' Compensation Appeals Board
200 Constitution Ave., NW
Room N-2609
Washington, DC 20210

This appeal must be made within 90 days of the date of the original decision or the decision made after a hearing or reconsideration. This appeal is limited to the evidence of record, and no new evidence may be submitted to the appeals board.

CASE RE-EXAMINATIONS

The OWCP has a continuing program of re-examining cases of disabled beneficiaries (compensationers) to determine whether payment of benefits should be discontinued or reduced because of an individual's restored earnings capacity. When adverse action (discontinuance or reduction of benefits payments) is proposed in a case, the compensationers is given the same hearing, reconsideration and appeal rights as mentioned above.

Service Officers: Cases that may come to the attention of a service officer usually stem from a failure of the claimant or compensationner to receive a prompt response to a request for review. In some cases, the individual may not have furnished requested medical evidence or may have failed to report for a scheduled medical examination. In such instances, the service officer can usually obtain prompt consideration by contacting the district office servicing the state or geographic area involved.

SERVICES FOR SENIOR CITIZENS

There are many rights, privileges, benefits and other programs available to senior citizens through state and local governments. Some are administered directly by state or local governments, while community groups under financial grants from a government or private organization provide other programs. These services are described in publications readily obtainable from government and civic sources.

Chapter service officers should get on mailing lists of service organizations to learn about these programs and arrange for NARFE member participation when it would be beneficial. Booklets and directories describing county and municipal services are generally available without charge from sources, such as consumer services committees, county departments of adult services, health and welfare councils, and senior citizens councils.

FOREIGN SERVICE AND CIA RETIREMENTS

For reporting the death of a Foreign Service or CIA retiree or survivor annuitant, see Chapters 4 and 5.

BASIC INFORMATION

Medicare is a government program of basic (not catastrophic) health insurance for people age 65 and over, and for certain people under age 65 who meet Social Security disability requirements, or have kidney transplants or receive continuing dialysis for permanent kidney failure.

Medicare Part A (Hospital Insurance) helps pay for covered hospital inpatient care, inpatient care in a skilled nursing facility, home health care and hospice care.

Medicare Part B (Medical Insurance) helps pay for doctors' care, care in hospital emergency rooms and outpatient departments, durable medical equipment, ambulance service, diagnostic tests, treatment of mental illness, physical and occupational therapy, speech pathology, and chiropractic and certain other kinds of care.

Medicare Part C (Medicare Advantage Plans) offers an alternative to the traditional fee-for-service coverage of Medicare Parts A and B.

Medicare Part D (Medicare Prescription Drug Insurance) provides prescription drug coverage for people eligible for Medicare that helps reduce the costs of having to purchase prescription drugs without insurance.

Medicare is administered by the Centers for Medicare & Medicaid Services (CMS), 6325 Security Blvd., Baltimore, MD 21207. The CMS has no local offices; local Social Security offices provide "front line" service on Medicare matters.

Medicare benefits are provided, and health insurance carriers pay claims, under contracts with the CMS. Names and addresses of Medicare carriers are listed in the publication *Medicare & You*. This publication describes Medicare benefits and how Medicare operates. The CMS updates and publishes the booklet every year. Every chapter service officer and NARFE Service Center should have a copy, which is available at local Social Security offices and through the Medicare website at www.medicare.gov. It also can be accessed via the Federal Benefits link on the Member Home Page on the NARFE website. A service officer or NARFE Service Center volunteer who is unable to get a copy should contact NARFE's Federal Benefits Service Department.

ELIGIBILITY

MEDICARE PART A

The following individuals are eligible for premium-free Medicare Part A *at age 65*:

- Those who receive Social Security or railroad retirement benefits.
- Those who are eligible for Social Security or railroad retirement benefits but do not actually receive those benefits because they haven't applied for them, or because of the Government Pension Offset or the Windfall Elimination Provision (including spouses of those eligible for but who do not actually receive Social Security benefits).
- Those who retired from federal employment on or after January 1, 1983, and who had worked 10 years for the federal government. They (and their spouses) are deemed to have paid Medicare taxes long enough for the government to have

qualified for Medicare benefits.

The following individuals are eligible for premium-free Medicare Part A *before reaching age 65*:

- Those who have received Social Security disability benefits for at least 24 months.
- Federal retirees who have been disabled for more than 29 months and who meet Social Security disability requirements, even though they are not retired under Social Security.
- Those who receive continuing kidney dialysis for permanent kidney failure.
- Those who have received kidney transplants.

MEDICARE PART B

Everyone is eligible for Medicare Part B at age 65, whether or not they ever worked under Social Security or railroad retirement. Everyone under age 65 who is eligible for premium-free Part A also is eligible for Medicare Part B.

SIGNING UP FOR MEDICARE

An individual who receives Social Security or railroad retirement benefits will be automatically enrolled in both Medicare Parts A and B at age 65. **Part B is optional and can be waived if a person does not want it.** (Premium-free Part A also can be waived, but only if the individual also waives title to Social Security benefits and repays all such benefits already paid. *No one should waive premium-free Part A coverage.*) The Social Security Administration will notify Medicare enrollees of their eligibility for Medicare enrollments shortly before the month in which they reach age 65.

An individual who wants Medicare but is not receiving Social Security or railroad retirement benefits at age 65 must apply for Medicare at the nearest Social Security office or online at [www/socialsecurity.gov](http://www.socialsecurity.gov); click on “Apply Online for Medicare Only” in the left panel.

ENROLLMENT PERIODS

INITIAL ENROLLMENT PERIOD

The enrollment period for a person who is not eligible for Social Security is during the seven months surrounding his or her 65th birthday. The Medicare Open Enrollment Period begins three months before the birthday month and ends three months after the birthday month. (If the 65th birthday is August 9, the enrollment period begins May 1 and ends November 30.)

ANNUAL ENROLLMENT PERIOD

There is a Medicare Open Enrollment Period every year from January 1 through March 31. During that time, anyone who is eligible for Medicare but is not enrolled may enroll through a local Social Security office. This also applies to a person who is enrolled in Part A but not Part B, but was enrolled at one time, canceled that enrollment and wants to re-enroll.

SPECIAL ENROLLMENTS

If an individual works after age 65 and is covered by employer-sponsored group

health insurance, he or she can sign up for Medicare Part B without penalty during the eight-month period after the earlier of the date he or she stops working or the date he or she loses the employer's group health insurance coverage.

EFFECTIVE ENROLLMENT DATES

If Medicare enrollment is automatic (for those receiving Social Security or railroad retirement benefits), Medicare Parts A and B are effective on the first day of the month in which the enrollee reaches age 65.

The effective date for those who must apply for Medicare depends on when they apply during the seven-month enrollment period. If a person applies before the month of his or her 65th birthday, Medicare is effective the first day of the month in which the individual reaches age 65. If the application is made during or after the birthday month, Medicare is effective the first day of the next month.

The effective date for an individual who enrolls during an annual Medicare Open Enrollment Period – January 1 through March 31 – would be July 1.

PREMIUMS

MEDICARE PART A

There is no premium cost for Part A enrollees who are eligible for premium-free Part A. An individual who is over age 65 but who is not eligible for premium-free Part A can buy it. The monthly premium for Part A is more than \$441. An individual who has good hospital insurance should not buy Part A.

MEDICARE PART B

Everyone enrolled in Medicare Part B must pay a premium for it. The Basic premium is \$104.90 per month in 2013.

LATE ENROLLMENT

An individual who enrolls in Medicare after the first opportunity to enroll (age 65 for most) must pay a higher premium than those who enroll at their first opportunity. If the effective date of a late enrollment is more than a year after that person's first opportunity to enroll, the Medicare premium is raised by 10 percent for every full year of delay.

Example: Mr. Jones reached age 65 on March 10, 2006, but did not enroll in Medicare Part B until the 2007 Medicare Open Enrollment Period. His enrollment would be effective July 1, 2007. More than a full year would have elapsed between his 65th birthday and his July 1, 2007, effective date, so his premium would be increased by 10 percent. However, if his 65th birthday were July 2, 2006, and his Open Enrollment Period election of Part B were effective July 1, 2007, a full year would not have elapsed, and the 10 percent penalty would not be imposed.

In every year in which there is a Part B premium increase, that increase for a late enrollee also would be raised by the same percentage increase that applied to the basic premium. If the Part B premium were raised by \$4, the increase for Mr. Jones would be \$4.40.

MEDICARE PART D PRESCRIPTION DRUG PLAN

Federal Employees Health Benefits Program (FEHBP) plans cover at least as much as a Medicare prescription drug plan. If someone joins a Medicare prescription drug plan after the first opportunity, the monthly premium may not be increased. No one who has FEHBP coverage will be subject to the 1 percent monthly penalty for not enrolling in the Medicare prescription drug plan at first opportunity. There is a notice in FEHBP plan brochures explaining that FEHBP plans are creditable plans for purposes of Part D, and individuals covered by FEHBP plans are not subject to the Medicare Part D late enrollment penalty.

PREMIUM PAYMENTS

Medicare premiums for an individual who receives railroad retirement benefits must be withheld from monthly railroad retirement benefits. Medicare premiums for an individual who does not receive railroad retirement benefits but receives Social Security benefits must be withheld from his or her Social Security benefits.

MEDICARE WITHHOLDING FROM CIVIL SERVICE ANNUITIES

Medicare premiums may be withheld from the annuities of civil service retirees who are not eligible for Social Security or railroad retirement benefits, either in their own name or based on their spouse's employment history. They should make an appointment with a Social Security representative and arrange to have the Medicare premium withheld from their civil service annuities.

Social Security procedures permit civil service annuitants to have Medicare premiums withheld from their civil service annuities if they are eligible for Medicare based on their spouse's Social Security entitlement. Annuitants who are eligible for spousal Social Security benefits can withdraw their application for those benefits under their spouse's Social Security number and reapply for Medicare Parts A and B under their own Social Security number. Then, they can have the Medicare Part B premiums withheld from their civil service annuities.

Note: Not all Social Security Administration employees are familiar with this procedure. If one says that this cannot be done, the annuitant should ask to speak to the manager of that office. If the manager says it cannot be done, the manager should be referred to SSA POMS: HI 01001.165 for guidance (this is a reference to Social Security Administration operating procedures).

Civil service annuitants who have their own Medicare premium withheld from their civil service annuity also may have their spouse's Medicare premium withheld from the annuity, if the spouse doesn't receive Social Security or railroad retirement benefits.

MEDICARE EASY PAY

An individual can now have Medicare premiums automatically deducted from his or her checking or savings account each month. The retiree should check with the local Social Security office for information about the Medicare Easy Pay system.

QUARTERLY BILLING

An individual whose Medicare premiums are not withheld from his or her Social Security, railroad retirement or civil service annuity payments will receive quarterly

billings from the CMS.

CLAIMS

Medicare claims must be submitted to the Medicare carrier in the area in which the medical care was received. To get the carrier's address, call 800-633-4227.

Medical care providers must submit Medicare claims even if the provider does not accept Medicare assignment. If a provider accepts Medicare assignment, benefits must be paid to the provider. If the provider does not accept assignment, Medicare should pay benefits to the patient.

If a provider asks a patient to sign a private contract, Medicare would not pay any amount toward the provider's bill, and FEHBP plans that are paying as the supplementary insurer would not increase the amount of their payments.

MEDICARE CROSSOVER

Blue Cross/Blue Shield and most employee organization plans have agreements with Medicare carriers in some areas under which the Medicare carriers automatically transfer claim information to the patient's FEHBP plan. This eliminates the need for the patient or the provider to submit separate claims to the FEHBP plan, except for expenses that the FEHBP plan covers but Medicare does not, such as routine annual physical examinations.

APPEALS

An individual who disagrees with Medicare's action on a claim has the right to appeal that decision. The appeals procedure is described in *Medicare & You*. Medicare Summary Notices also give information on appeal rights. Appeals must be filed within 120 days after the patient is notified of the claim action. A decision is usually made within 60 days after Medicare gets an appeal request.

MEDICARE AND THE FEHBP

EMPLOYEES

A federal employee enrolled in both the FEHBP and Medicare must submit claims to the FEHBP plan first. There probably would be little advantage for an employee to be enrolled in Medicare Part B. An employee who is eligible for premium-free Part A should sign up for it because it is free.

Employees who waive Medicare Part B because they are still employed (the FEHBP plan pays first) and who want Part B coverage in retirement should enroll in Part B as soon as possible after retiring. An individual who enrolls within eight months after retiring will be considered to have enrolled at the first opportunity and will not have to pay the 10-percent-per-year late-enrollment penalty.

ANNUITANTS

Medicare pays first, and FEHBP plans pay second for annuitants. When Medicare benefits are paid first, some FEHBP fee-for-service plans waive most of their deductibles, coinsurance and co-payments (except for prescription drug co-payments) on expenses covered by both the FEHBP plan and the part or parts of Medicare in which the patient is enrolled. In addition, some fee-for-service plans

discount prescription drug co-payments for those enrolled in Part B.

HEALTH MAINTENANCE ORGANIZATIONS AND MEDICARE

Annuitants enrolled in health maintenance organizations (HMOs) that cover most medical care (with only small co-payments on doctors' care, for example) and who expect to stay in an HMO indefinitely probably would find little advantage to enrolling in Medicare Part B. In most situations, Part B would not add enough to total benefits to warrant paying the premium. However, if the annuitant later changes to a fee-for-service plan, Part B would be worthwhile. An annuitant could, of course, enroll in Part B during a Medicare Open Enrollment Period, but the premium would be raised by 10 percent for each year's delay in signing up for Part B. In most cases, the amount of savings achieved by not enrolling in Part B will pay many years of the premium penalty. For example, a retiree who chooses not to enroll for three years will save approximately \$3,000 – more than enough to pay the penalty for many years in the future.

MEDICARE ADVANTAGE PLANS

Medicare Advantage plans are prepaid, managed-care plans (usually HMOs). They have contracts with the CMS to serve as the primary provider of care for their enrollees. Some of them provide their coverage at no or only small additional premiums (in addition to the Part B premium). Some also offer benefits not covered by Medicare, such as dental, vision and hearing care.

To be enrolled in a Medicare Advantage plan, an individual must be enrolled in Part B (Part A may be not required) and must live in the plan's service area. To join or get information about a Medicare Advantage plan, an individual should directly contact the plan.

Historically, annuitants or former spouses who elect to cancel their FEHBP plan could not re-enroll at a later date. As of November 23, 1992, annuitants and survivors who choose to enroll in a Medicare-sponsored HMO plan would not be banned from re-enrollment in the FEHBP at a later date, should they subsequently dis-enroll from the Medicare Advantage plan. Office of Personnel Management regulations allow individuals who elect to enroll in these Medicare HMO plans to suspend their FEHBP coverage, with the opportunity to reinstate the FEHBP enrollment during any subsequent FEHBP Open Season.

It is very important to remember *not to suspend* FEHBP coverage until actually enrolled in a Medicare Advantage plan because the FEHBP suspension should be made effective as of the day before the day enrollment in the new Medicare prepaid health plan takes effect.

FORMS AND PUBLICATIONS

The publications, forms and articles referred to in this guide contain detailed information: (1) answers to most frequently asked questions; (2) provisions from regulations and statutes; and (3) descriptions of programs. Service officers familiar with their contents and able to cite them by number and title can more readily assist annuitants and survivors.

- FE-6** Claim for Death Benefits, Federal Employees' Group Life Insurance*
 - SF 2800** Application for Death Benefits, Civil Service Retirement System*
 - SF 3104** Application for Death Benefits, Federal Employees Retirement System*
 - SF 1199A** Direct Deposit Sign-Up Form
 - SF 2808** Designation of Beneficiary, Civil Service Retirement System
 - SF 3102** Designation of Beneficiary, Federal Employees Retirement System
 - SF 2823** Designation of Beneficiary, Federal Employees' Group Life Insurance
 - RI 25-51** CSRS Survivor Annuitant Express Pay Application for Death Benefits
 - SSA-7004PC** Request for Earnings and Benefit Estimate Statement
 - CSA 1099-R** Statement of Annuity Paid–Annuitant
 - CSF 1099-R** Statement of Annuity Paid–Survivor
- *Do not provide copies to survivors. OPM will send bar-coded forms to applicants for survivor benefits.
- F-10** Chapter & Federation Officers Manual
 - IRS Pub. 72** *Tax Guide to U.S. Civil Service Retirement Benefits*
 - RI 20-59** Information for Annuitants, Civil Service Retirement System
 - RI 90-18** Information for Annuitants, Federal Employees Retirement System
 - RI 25-26** Information for Survivor Annuitants, Civil Service Retirement System
 - RI 90-12** Information for Survivor Annuitants, Federal Employees Retirement System

CMS-10050-31 *Medicare & You*

Federal Benefits for Veterans and Dependents (VA)

Federal Employees Almanac (private publication)

Note: *Medicare & You* and *Federal Benefits for Veterans and Dependents* can be accessed on the Federal Benefits link on the NARFE website, www.narfe.org.

CSRS RETIREMENT TABLE QUICK CALC

ESTIMATED MONTHLY ANNUITY BEFORE ANY REDUCTIONS (E.G., SURVIVOR REDUCTION)

YEARS OF CREDITABLE SERVICE

Hi-3 avg	5	15	20	25	30	35	40	42
20,000	125	438	604	771	938	1,104	1,271	1,338
30,000	188	656	906	1,156	1,406	1,656	1,906	2,000
40,000	250	875	1,208	1,542	1,875	2,208	2,542	2,675
50,000	313	1,094	1,510	1,927	2,344	2,760	3,177	3,344
60,000	375	1,313	1,813	2,313	2,813	3,313	3,813	4,013
70,000	438	1,531	2,115	2,698	3,281	3,865	4,448	4,681
80,000	500	1,750	2,417	3,083	3,750	4,417	5,083	5,350
90,000	563	1,969	2,719	3,469	4,219	4,969	5,719	6,019
100,000	625	2,188	3,021	3,854	4,688	5,521	6,354	6,688
110,000	688	2,406	3,323	4,240	5,156	6,073	6,990	7,356

ANOTHER METHOD TO ESTIMATE AN ANNUAL ANNUITY:

YEARS OF SVC	% OF HI-3 AVG SALARY
10	16.25%
15	26.25%
20	36.25%
25	46.25%
30	56.25%
35	66.25%
40	76.25%
41 yrs 11 months	80.00%

APPENDIX I

FERS RETIREMENT TABLE QUICK CALC

APPENDIX II

ESTIMATED MONTHLY ANNUITY BEFORE ANY REDUCTIONS (E.G., SURVIVOR REDUCTION)

YEARS OF CREDITABLE SERVICE HI-3 AVG

20,000	83	250	333	417	500	583	667	700
30,000	125	375	500	625	750	875	1,000	1,050
40,000	167	500	667	833	1,000	1,167	1,333	1,400
50,000	208	625	833	1,042	1,250	1,458	1,667	1,750
60,000	250	750	1,000	1,250	1,500	1,750	2,000	2,100
70,000	292	875	1,167	1,458	1,750	2,042	2,333	2,450
80,000	333	1,000	1,333	1,667	2,000	2,333	2,667	2,800
90,000	375	1,125	1,500	1,875	2,250	2,625	3,000	3,150
100,000	417	1,250	1,667	2,083	2,500	2,917	3,333	3,501
110,000	458	1,375	1,833	2,292	2,750	3,208	3,667	3,850

MEDICARE COSTS FOR 2013

MEDICARE MONTHLY PREMIUMS

TYPE OF MONTHLY PREMIUM	AMOUNT OF MONTHLY PREMIUM
Part A monthly premium (for people who pay a premium)	\$441
Part A Late Enrollment Penalty	+10%
Part B monthly premium	\$104.90 Higher-income consumers may pay more.
Part B Late Enrollment Penalty	+10% for each full 12-month period that you could have had Part B, but didn't sign up for it
Part C monthly premium	Varies by plan
Part D monthly premium	Varies by plan Higher-income consumers may pay more
Part D Late Enrollment Penalty	Depends on how long you went without creditable prescription drug coverage

WHAT YOU PAY IF YOU HAVE ORIGINAL MEDICARE MEDICARE PART A (HOSPITAL INSURANCE) COSTS

PART A SERVICES: 2013

SERVICES	YOU PAY
Blood	In most cases, the hospital gets blood from a blood bank at no charge, and you won't have to pay for it or replace it. If the hospital has to buy blood for you, you must either pay the hospital costs for the first 3 units of blood you get in a calendar year or have the blood donated.
Home Health Care	<ul style="list-style-type: none"> • \$0 for home health care services • 20% of the Medicare-approved amount for durable medical equipment
Hospice Care	<ul style="list-style-type: none"> • \$0 for hospice care • A copayment of up to \$5 per prescription for outpatient prescription drugs for pain and symptom management • 5% of the Medicare-approved amount for inpatient respite care (short-term care given by another caregiver, so the usual caregiver can rest) <p>Medicare doesn't cover room and board when you get hospice care in your home or another facility where you live (like a nursing home).</p>

(continued)

PART A SERVICES: 2013 *(continued)*

SERVICES	YOU PAY
Hospital Inpatient Stay	<ul style="list-style-type: none"> • \$1,184 deductible per benefit period • \$296 per day for days 61-90 of each benefit period • \$592 per "lifetime reserve day" after day 90 of each benefit period (up to a maximum of 60 days over your lifetime)
Skilled Nursing Facility Stay	<ul style="list-style-type: none"> • \$0 for the first 20 days each benefit period • \$148 per day for days 21-100 each benefit period • All costs for each day after day 100 in a benefit period

MEDICARE PART B (MEDICAL INSURANCE) COSTS

PART B MONTHLY PREMIUM

You pay a Part B premium each month. Most people will pay the standard premium amount. However, if your modified adjusted gross income as reported on your IRS tax return from two years ago is above a certain amount, you may pay more.

IF YOUR YEARLY INCOME IN 2011 WAS		YOU PAY
FILE INDIVIDUAL TAX RETURN	FILE JOINT TAX RETURN	
\$85,000 or less	\$170,000 or less	\$104.90
above \$85,001 up to \$107,000	above \$170,001 up to \$214,000	\$146.90
above \$107,001 up to \$160,000	above \$214,001 up to \$320,000	\$209.80
above \$160,001 up to \$214,000	above \$320,001 up to \$428,000	\$272.70
above \$214,000	above \$428,000	\$335.70

PART B SERVICES: 2013

SERVICES	YOU PAY
Part B Deductible	You pay \$147 per year.
Blood	<p>In most cases, the provider gets blood from a blood bank at no charge, and you won't have to pay for it or replace it. However, you will pay a copayment for the blood processing and handling services for every unit of blood you get, and the Part B deductible applies.</p> <p>If the provider has to buy blood for you, you must either pay the provider costs for the first 3 units of blood you get in a calendar year or have the blood donated by you or someone else.</p> <p>You pay a copayment for additional units of blood you get as an outpatient (after the first 3), and the Part B deductible applies.</p>
Clinical Laboratory Services	You pay: 20% of the Medicare-approved services.
Home Health Services	You pay: \$0 for Medicare-approved services. You pay 20% of the Medicare-approved amount for durable medical equipment.
Medical and Other Services	You pay: 20% of the Medicare-approved amount for most doctor services (including most doctor services while you're a hospital inpatient), outpatient therapy, and durable medical equipment.
Mental Health Services	You pay: 35% of the Medicare-approved amount for most outpatient mental health care.
Other Covered Services	You pay: copayment or coinsurance amounts.
Outpatient Hospital Services	<p>You pay: a coinsurance (for doctor services) or a copayment amount for most outpatient hospital services.</p> <p>The copayment for a single service can't be more than the amount of the inpatient hospital deductible.</p>

OFFICE OF PERSONNEL MANAGEMENT (OPM)

OPM provides retirement services online. Go to the OPM website at www.opm.gov. Click on “Retirees and Families” in the left panel, then click on “Services Online.” Once you receive your personal identification number (PIN) from OPM, you can: update your email address; change your tax withholding; view/print/request a duplicate form 1099-R; change your PIN; view the status of your case while in interim pay; sign up for direct deposit; change your mailing address; and a number of other actions.

Retiree/Annuitant Information (Have your CSA or CSF retirement claim number at hand when you contact OPM.):

phone: 888-767-6738

fax: 724-794-6633

In the Washington, DC, area, call 202-606-0500.

TTY: 800-878-5707

Hours of operation: 7:30 a.m.-7:45 p.m. Eastern Standard Time

email: retire@opm.gov

Write: OPM Retirement Operations Center

P.O. Box 45

Boyers, PA 16017-0045

OPM pamphlets, publications and forms: www.opm.gov (right side of Home Page) Click on “Find Forms” or “Publications.”

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)

website: www.opm.gov/insure

Federal Employees Health Care Fraud Hotline:

email: OIGHotline@opm.gov

phone: 202-418-3300

FEDERAL EMPLOYEES’ GROUP LIFE INSURANCE (FEGLI)

Current federal employees must contact their human resources office. OPM and the Office of Federal Employees’ Group Life Insurance do not have access to your records.

Federal retirees must contact the OPM Retirement Office at 888-767-6738 or send an email to fegli@opm.gov.

To calculate premiums, go to: www.opm.gov/calculator/worksheet.asp.

To download forms, go to: www.opm.gov/insure/life/fegli/index.asp.

FEDERAL EMPLOYEES DENTAL AND VISION INSURANCE PROGRAM (FEDVIP)

Visit the official enrollment site for FEDVIP at www.benefeds.com or call 877-888-3337 if you have any changes or comments related to your FEDVIP coverage.

website: www.opm.gov/insure

FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP)

Contact Long Term Care Partners, administrator of the program: 800-582-3337

TTY: 800-843-3557

email: ltc@opm.gov

FEDERAL FLEXIBLE SPENDING ACCOUNT PROGRAM (FSAFEDS)

phone: 877-372-3337

TTY: 800-952-0450

website: www.fsafeds.com

SOCIAL SECURITY ADMINISTRATION (SSA)

(Have your Social Security number or claim number at hand when you contact the SSA.)

phone: 800-772-1213

TTY: 800-325-0778

You can apply for Social Security benefits and Medicare benefits online (see below) at www.ssa.gov. You may, however, want to make an appointment with your local Social Security office to sign up for Medicare, particularly if you want the premiums deducted from your federal retirement annuity.

Write: Social Security Administration
Office of Public Inquiries
Windsor Park Building
6401 Security Blvd.
Baltimore, MD 21235

You can create an online Social Security account (*my* Social Security) by going to the SSA website, www.socialsecurity.gov, and clicking on the tab at the top of the Main Home Page. Creating an account allows you to request a benefit verification letter; check benefit and payment information, and your earnings record; change your address and phone number; and start or change the direct deposit of your benefit payment. If you do not yet receive benefits, you can create an account to get your Social Security Statement to review. You also then can apply online for retirement benefits; Medicare; and Supplemental Security Income, survivors or family benefits.

MEDICARE

To make an appointment with your local Social Security office regarding signing up for Medicare, call 800-772-1213.

To sign up online, go to: www.ssa.gov/medicareonly.

To track Medicare claim status, etc., online, go to: www.MyMedicare.gov.

THRIFT SAVINGS PLAN

phone: 877-968-3778

TTY: 877-847-4385

website: www.tsp.gov

Write: Thrift Savings Plan
P.O. Box 385021
Birmingham, AL 35238

INTERNAL REVENUE SERVICE (IRS)

phone: 800-829-1040

TTY: 800-829-4059

For IRS publications, call 800-829-3676.

Forms and publications also can be downloaded from the IRS website at www.irs.gov.

DEPARTMENT OF VETERANS AFFAIRS

VA benefits: 800-827-1000

TTY: 800-829-4833

Beneficiaries receiving pension benefits: 877-294-6380

VA health care benefits: 877-222-8387

Veterans Group Life Insurance Program: 800-419-1473

All other VA life insurance: 800-669-8477

website: www.va.gov

NATIONAL PERSONNEL RECORDS CENTER (NPRC)

1 Archives Drive

St. Louis, MO 63138

314-801-0800

email: MPR.center@nara.gov

USA JOBS

website: www.usajobs.gov

Address changes, processing, p. 5

Annuity Supplement, FERS, p. 30

Benefits

Change in health coverage, pp. 8, 20

CIA, retirement, p. 40

Continuing health coverage, survivors, p. 18

Death benefit, basic, FERS, p. 31

Death benefits, children, FERS, p. 31

Disability, FERS, p. 30

Federal Employees' Compensation Act, p. 38

Foreign Service, retirement, p. 40

Former spouse, p. 13

Marriage or remarriage post-retirement, p. 13

New spouse health coverage, p. 14

Reporting an annuitant death, p. 6

Reporting an annuitant spouse's death, p. 12

Reporting a survivor annuitant's death, p. 11

Seniors, p. 40

Surviving spouses, p. 9

Survivor elections, CSRS, p. 9

Survivor elections, FERS, p. 10

Survivor elections post-retirement, restrictions, p. 14

Unemployment, p. 38

Veterans, p. 38

Chapter Service Officers, p. 1

Contacts, federal, p. 53-55

Civil Service Retirement System (CSRS), p. 32

CSRS Offset, p. 33

Eligibility requirements, p. 32

Retirement estimates, p. 32

Retirement table, p. 48

Deaths

Annuitant, p. 6

Health insurance coverage change upon an annuitant's death, p. 8

Reporting an annuitant death, p. 6

Reporting an annuitant spouse's death, p. 12

Reporting a survivor annuitant's death, p. 11

Disability benefits, FERS, p. 30

Federal Benefits Service Department, p. 1

Federal contacts, p. 53-55

Federal Employees' Compensation Act, p. 38

- Case re-examinations, p. 39
- Claims, p. 39
- Hearings, reconsideration, appeals, p. 39

Federal Employees' Group Life Insurance (FEGLI), p. 24

- Assignment of life insurance, p. 27
- Basic insurance, p. 24
- Claim forms, pp. 7, 8
- Continuing coverage into retirement, p. 24
- Living benefits, p. 27
- Method of payment, p. 27
- Reduction options, p. 24
- Types of FEGLI benefits, pp. 25-26

Federal Employees Health Benefits Program (FEHBP), p. 17

- Basic information, p. 17
- Benefits, general, p. 21
- Claims, p. 22
- Continuation of coverage, survivors, p. 18
- Continuing enrollment, post-retirement, p. 18
- Enrollment categories, p. 17
- Enrollment changes, p. 20
- Medicare and the FEHBP, pp. 21, 45
- Premium conversion, p. 21
- Premiums, p. 20
- Self-only vs. family enrollment, p. 22
- Temporary continuation of coverage, p. 19

Federal Employees Retirement System (FERS), p. 29

- Basic benefits, p. 29
- Benefits to children, p. 31
- Death benefit, p. 31
- Disability benefits, p. 30
- FERS Annuity Supplement, p. 30
- Immediate retirement, p. 29
- Postponed annuity, p. 30
- Retirement table, p. 49

Federal Long Term Care Insurance Program, p. 23

Federation Service Officers, p. 1

Forms (miscellaneous), p. 47

Government Pension Offset (GPO), p. 36

Health Benefits

- Benefits, general, p. 21
- Claims, p. 22
- Continuing coverage, survivors, p. 18
- Coverage change upon an annuitant death, p. 8
- FEHBP, basic information, p. 17
- Enrollment categories, p. 17
- Enrollment changes, p. 20
- Long-term care insurance, p. 23
- Medicare and the FEHBP, p. 21
- Medicare costs, p. 50
- New spouse health coverage, p. 14
- Post-retirement, p. 18
- Premium conversion, p. 21
- Premiums, p. 20
- Self-only vs. family enrollment, p. 22
- Temporary continuation of coverage, p. 19

Life insurance, p. 24

- Assignment of life insurance, p. 27
- Basic FEGLI insurance, p. 24
- Eligibility into retirement, p. 24
- FEGLI, p. 24
- Living benefits, p. 27
- Long-term care, p. 23
- Method of payment, p. 27
- Reduction options, p. 24
- Survivor, pp. 7, 8
- Types of FEGLI benefits, p. 25-26

Long-term care insurance, p. 23

Marriage, post-retirement, p. 13

- Former spouse benefits, p. 13
- New spouse health coverage, p. 14
- Post-retirement survivor elections, restrictions, p. 14

Medicare, p. 41

- Appeals, p. 45
- Basic information, p. 41
- Claims, p. 45
- Costs, p. 50
- Effective dates, p. 43
- Eligibility, p. 41
- Enrollment periods, p. 42

- HMOs and Medicare, p. 46
- Late enrollment, p. 43
- Medicare Advantage Plans, p. 46
- Medicare and the FEHBP, pp. 21, 45
- Medicare Crossover, p. 45
- Medicare Easy Pay, p. 44
- Part A, p. 41
- Part B, p. 42
- Part D, p. 44
- Premium payments, p. 44
- Premiums, p. 43
- Quarterly billing, p. 44
- Signing up for Medicare, p. 42
- Withholding from annuities, p. 44

- Office of Personnel Management (OPM), p. 3
 - Basic information, p. 3
 - Contacting OPM, p. 4
 - Customer Service Center, p. 3
 - Federal benefits changes, p. 4
 - Headquarters, p. 3
 - OPM website, p. 4
 - Personal identification number, p. 3

- Publications, p. 47

- Social Security, p. 35
 - Government Pension Offset (GPO), p. 36
 - Online account, p. 35
 - Remarriage at or after age 60, p. 35
 - Verifying earnings records, p. 36
 - When to contact the SSA, p. 35
 - Windfall Elimination Provision (WEP), p. 37

- Survivor Benefits, p. 9
 - Continuing health coverage, p. 18
 - Death benefits, children, FERS, p. 31
 - Dependent child(ren), p. 11
 - Post-retirement elections, restrictions, p. 14
 - Reporting a survivor annuitant's death, p. 11
 - Reporting an annuitant spouse's death, p. 12
 - Survivor election options, CSRS, p. 9
 - Survivor election options, FERS, p. 10

Taxes, p. 15

Canceling federal tax withholding, p. 15

Federal income tax, p. 15

State income tax, p. 16

Unemployment benefits, p. 38

Veterans' benefits, p. 38

Windfall Elimination Provision (WEP), p. 37



**National Active and Retired
Federal Employees Association**

606 North Washington Street
Alexandria, VA 22314-1914
703-838-7760 • Fax: 703-838-7785
Email: fedbenefits@narfe.org
www.NARFE.org

Copyright © 2013