



## NARFE Membership Provides:

### Legislative Representation

NARFE's national legislative program is advanced in Congress by a team of registered lobbyists backed by an informed network of grassroots activists in every state and congressional district, and a member-supported Political Action Committee. The Association's strong supporters and years of experience on Capitol Hill and in federal agencies have made NARFE a name respected by members of Congress and a key player in the federal community.

### narfe Magazine and Website

NARFE's monthly magazine and website are primary news sources for information about federal retirement and health care issues. New online learning sessions focus on the information you need most.

### NARFE Retirement Support

NARFE's Federal Benefits Services Department, along with local Service Centers and chapter service officers are available to assist you with your benefits questions. Additionally, members have access to the NARFE Federal Benefits Institute, offering webinars and valuable resources with guidance on CSRS and FERS retirement, health and life insurance, Medicare, Social Security, Federal Long Term Care Insurance, the Thrift Savings Plan and more.

### Special Membership Discounts

Your membership entitles you to special rates on insurance programs, auto insurance, travel services and more!

## 9. Not checking your federal retirement benefits online

All retirees can view their current benefits and the amount of their next scheduled payment online, using OPM's Services Online website. To use it, you will need the PIN number you were issued by OPM or request one by going to [www.opm.gov/retire](http://www.opm.gov/retire). By keeping track of your benefits, you will know ahead of time if your next payment is the correct amount and going to the right address.

## AND THE WORST MISTAKE FEDERAL RETIREES CAN MAKE:

### 10. Failing to join NARFE

NARFE has the knowledge and support you need to help guide you in retirement. NARFE is your voice on Capitol Hill, fighting to protect and preserve your hard-earned benefits. NARFE's Federal Benefits Service Department staff are available to help you personally with your individual questions, and the NARFE Federal Benefits Institute offers webinars and resources to keep you informed of any changes to your benefits. Every month, *narfe* magazine provides members with the latest news on issues that affect their income and benefits security.

DON'T MAKE THE **SAME** MISTAKES! **PROTECT YOUR EARNED BENEFITS.**

### Join NARFE today!

The National Active and Retired Federal Employees Association (NARFE) is the *only* association solely dedicated to safeguarding and enhancing the benefits of America's active and retired federal employees, and their survivors.

[www.NARFE.org](http://www.NARFE.org) ♦ 800-627-3394

The **10** WORST MISTAKES FEDERAL RETIREES CAN MAKE



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**National Active and Retired Federal Employees Association**

# The **10** **WORST** **MISTAKES** FEDERAL RETIREES CAN MAKE

The decisions you make in retirement are important. Here are the 10 worst mistakes federal retirees can make.

## **1. Migrating before investigating**

Moving before you have examined all the pros and cons of relocating to a new area can be an expensive mistake. Thoroughly assess and compare the financial, emotional, cultural, medical, proximity to family and other considerations to prevent making a decision you may later regret. Focus on the reality, rather than the dreams, of retirement. Once a year, NARFE publishes a special magazine section on state taxes of federal retirement benefits. If this is a concern, you should research all state and local taxes before relocating.

## **2. Not thoroughly reading mail from OPM**

It is important to open and read the information sent to you by the Office of Personnel Management (OPM) after you retire. Remember, OPM serves as a retiree's payroll office. OPM notices are sometimes general in nature, but more often they are about your specific individual retirement benefits. **In particular, OPM sends a cost-of-living notice each December with important information, such as what to do to provide survivor benefits if you marry after retirement.** Ignoring mail from OPM could result in loss of benefits or a decrease in monthly annuity. In addition, not reading your OPM mail could prevent you from being able to appeal any adverse action affecting your benefits. Members who do not understand an OPM notice or letter can contact their local NARFE chapter service officer for assistance. Of course, you must always notify OPM if your current mailing address changes.

## **3. Ignoring your change in insurance needs upon retirement**

The Federal Employees' Group Life Insurance Program (options A, B and C) increases in monthly premiums by nearly 50 percent at ages 55 and 60. Many retirees who maintain the same coverage they had as employees are overpaying. Examine your needs to determine what purpose life insurance serves for you. While you should have considered long-term care insurance *before* you retired when the requirements are less restrictive, if you are able to drop or reduce your life insurance, you would have more money available for long-term care insurance.

## **4. Not reviewing the annual federal benefits Open Season material**

Just because you are satisfied with the health, long-term care, dental or vision insurance plan you have this year doesn't mean you shouldn't read the upcoming year's information sent by your plan(s) every year or the information sent by your retirement or compensation office. There are changes every year, whether it's a health plan dropping out of the program, or plans merging, changing areas of coverage, dropping an option or increasing/decreasing premiums. Your health plan's premium may be increasing to a point that your annuity will not be large enough in the upcoming year to pay the monthly premiums, and you need to change plans, options or method of payment. You get a lot of information during the annual Open Season, but it is important to read it. Members who need assistance with understanding the material can contact their local NARFE chapter service officer.

## **5. Changing FEHBP coverage to Self Only when your spouse has his or her own nonfederal coverage**

If you change your coverage to a Self Only option and your spouse does not have his or her own Federal Employees Health Benefits Program (FEHBP) coverage as a federal retiree, your spouse will not be able to continue FEHBP coverage in the event of your death. As a federal retiree, you must not only elect a survivor benefit but also have an enrollment covering your spouse in effect at the time of death for your spouse to ensure continued FEHBP health coverage.

## **6. Choosing the wrong health care options for a federal family**

Choosing between having a Self and Family or Self Plus One enrollment and having two Self Only enrollments is an important decision with financial implications. Each family has its own unique situation that will determine what's best for them. For example, if one family member is still a federal employee, it would be beneficial for the employee to carry the Self and Family or Self Plus One enrollment to take advantage of the "premium conversion" tax exclusion afforded only to active employees.

## **7. Closing your old bank account too soon**

When your retirement check is being directly deposited into your account, and you want to change the bank or account, do not close your old savings or checking account until you know for sure your retirement payments are being deposited in the new account. Too often, the bank-change request does not go into effect until the next month's payment cycle, resulting in the next payment being sent to the old account. If that account is closed, then the payment is returned, and it could be another month before it is reissued.

## **8. Neglecting to elect a survivor benefit upon marriage or remarriage**

If you marry or remarry after retirement, you have up to two years to elect a survivor benefit for your spouse. **Don't forget, your survivor cannot continue your health benefits coverage unless you have elected to provide a survivor benefit.**