

Your FERS Benefits – What It Takes to Retire

The Federal Employees Retirement System (FERS) is a three-tiered retirement plan including the following components:

1. Social Security Benefits
2. Basic Benefit Plan
3. Thrift Savings Plan

You pay full Social Security taxes and a small contribution to the Basic Benefit Plan. In addition, your agency puts an amount equal to 1 percent of your basic pay each pay period into your Thrift Savings Plan (TSP) account. You are able to make tax-deferred contributions to the TSP and a portion is matched by the government.

Social Security

As an employee with FERS coverage, you have Social Security coverage. You also are covered under Social Security's Medicare Hospital Insurance (Part A) program. This pays a portion of hospital expenses incurred while you are receiving Social Security disability benefits or retirement benefits at age 65 or older.

FERS Basic Benefit Plan

If you were automatically covered by FERS, or you elected to transfer from the Civil Service Retirement System (CSRS) to FERS, you will participate in the Basic Benefit plan.

Contributions

Your contribution to the Basic Benefit Plan is the difference between 7 percent of your basic pay and Social Security's old age, survivor and disability insurance tax rate, or 0.80 percent. To be vested (eligible to receive your retirement benefits from the Basic Benefit plan if you leave federal service before retiring), you must have at least five years of creditable civilian service. Survivor and disability benefits are available after 18 months of civilian service.

Retirement Options

There are three categories of retirement benefits in the Basic Benefit Plan:

- Immediate, and Postponed
- Early
- Deferred

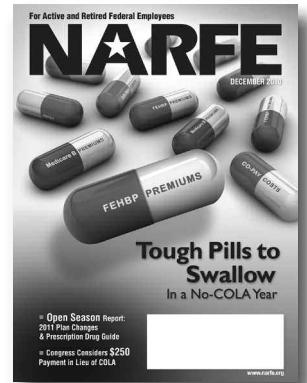
Eligibility is determined by your age and number of years of creditable service.

In some cases, you must have reached the minimum retirement age (MRA) to receive retirement benefits.

Max out your Thrift Savings Plan (TSP) Account

Similar to a 401(k) plan, the TSP permits you to make pre-tax contributions every time you get paid. You decide how much to allocate to your TSP, up to a certain limit. The TSP allocation is taken out of your gross pay, and your paycheck is reduced by that amount. The allocated amount goes directly into your TSP account, which you can invest in various funds. In 2010, FERS and CSRS employees could contribute up to \$16,500 of their basic pay to the TSP.

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National Active and Retired Federal Employees Association MEMBERSHIP APPLICATION

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Date of Birth: _____

Recruiter's Membership #: _____ Chapter #: _____

Enroll me in chapter number _____ (if known)

F-133 (10/10)

Check all that apply: Retiree Active Federal Employee
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Also enroll my spouse

\$33	x	=	_____
membership fee per person		# of people enrolling	total payment

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