

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

For most federal employees hired after 2012, your contribution to the Basic Benefit Plan is 3.1 percent of your basic pay. For FERS employees who were working prior to December 31, 2012, your contribution 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 dis-

ability 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 2013, FERS and CSRS employees could contribute up to \$17,500 of their basic pay to the TSP.

Join NARFE to receive FREE retirement benefits counseling from our staff of experts, our award-winning monthly magazine, our e-newsletter and legislative advocacy to protect your benefits.

Visit our Web site, www.narfe.org, and join online today. Or call **800-627-3394**, or detach and enclose the application below with payment and mail to:
NARFE • 606 N. Washington St. • Alexandria, VA 22314.



NARFE MEMBERSHIP APPLICATION

YES. I want to join NARFE.

National Active and Retired Federal Employees Association

Mr. Mrs. Miss Ms.

Full Name _____

Street Address _____

Apt./Unit _____

City _____ State _____ ZIP _____

Phone (_____) _____

Email _____

Recruiter's Membership # _____

I am a (check all that apply)

Active Federal Employee Active Federal Employee Spouse

Annuitant Annuitant Spouse Survivor Annuitant

Please enroll my spouse

Spouse's Full Name _____

Spouse's Email _____

Choose Your Membership Type

eNARFE Chapter Online Membership – \$40
NARFE's electronic chapter. **OR**

Local Chapter Close-to-Home Membership – \$40*

Affiliation with the NARFE chapter closest to your home.

Chapter Affiliation: Chapter # _____ (if known, otherwise enroll me in the chapter closest to my ZIP code)

***First-year dues. Subsequent years, \$40 plus local chapter dues.**

Total Dues: \$40 First-Year Dues X _____ = _____
Per Person # Enrolling Total Dues

PAYMENT OPTIONS

Check, Money Order or Bill Pay (Payable to NARFE)

Charge my: MasterCard VISA

Discover American Express

Card Number: _____

Expiration Date: _____ / _____
(MM) (YY)

Name on Card: (print) _____

Signature: _____ Date: _____