costly. Survivor benefits for a post-retirement marriage must be received by OPM within two years of the marriage. The survivor can pay FEHBP premiums directly if the survivor annuity does not cover the premium.

9. Expecting to receive a full Social Security retirement

The Windfall Elimination Provision (WEP) can reduce, by up to 60 percent, the earned Social Security benefits of a CSRS federal worker (not a FERS-only employee). Under the Government Pension Offset (GPO), CSRS annuitants could lose all of their survivor Social Security benefits. To prepare for this hit, educate yourself on these issues, adjust your retirement budget accordingly and work to repeal these laws.

AND THE **WORST MISTAKE** FEDERAL EMPLOYEES CAN MAKE:

10. Waiting until after retiring from the federal government to join NARFE

As hard as federal agencies try to educate employees about their benefits, there is a gap in knowledge and understanding on the part of many employees. NARFE can help bridge that gap with the online NARFE Federal Benefits Institute; NARFE federal benefits specialists; the monthly *narfe* magazine; email alerts; online education; and chapter service officers, who assist members with retirement issues.

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 informative 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!

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 ◆ 800-627-3394

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The 10 WORST MISTAKES FEDERAL EMPLOYEES CAN MAKE

National Active and Retired Federal Employees Association

The 10 WORST MISTAKES FEDERAL EMPLOYEES CAN MAKE

The decisions you make now will determine the success of your retirement. Here are the 10 worst mistakes federal employees can make.

1. Not attending a pre-retirement seminar

At least five years prior to your earliest planned retirement date, you should attend a pre-retirement seminar to learn about your retirement benefits and the actions you may need to take to ensure your annuity is the highest allowed by law, and your health and life insurance coverage continues. Having the right information in advance of retiring gives you time to take the necessary action to avoid financial shock due to unforeseen offsets and lower-than-expected income.

2. Missing the chance to contribute to the Thrift Savings Plan

Civil Service Retirement System (CSRS) employees who do not contribute to the tax-deferred Thrift Savings Plan (TSP) are missing a good chance to increase their retirement income. Federal Employees Retirement System (FERS) employees who do not contribute are missing out on **government contributions** to their TSP accounts and the growth of a critical part of their retirement package. CSRS and FERS employees can make tax-deferred contributions of up to $18,000 for 2017. It is particularly critical for FERS employees to begin making contributions to the TSP as soon as they can during their federal careers because the TSP is intended to make up about one-third of their income in retirement. A FERS employee who maximizes his or her TSP contributions by midcareer (that is, about 15 years before retirement) may have TSP contributions two to three times higher than the FERS employee who maximizes his or her TSP contributions five years before retirement. Note that employees over age 50 who contribute the maximum to the TSP are allowed to make $6,000 in "catch-up" contributions.

3. Forfeiting the opportunity to pay your military service credit deposit

Employees must pay their military service credit deposits to their employing agencies *before* they retire. They cannot pay the Office of Personnel Management after they retire. CSRS employees hired before Oct. 1, 1982, must pay the deposit to assure retirement credit continues if they are eligible for Social Security at age 62, or their date of retirement if later than age 62. CSRS employees hired after Oct. 1, 1982, must pay the deposit to have military service included in their annuity computation. FERS employees must pay the military deposit to get credit for military service for both retirement eligibility and retirement computation purposes.

4. Not purchasing long-term care insurance coverage at the right age

Long-term care insurance rates are based on a person's age when he or she applies. From an actuarial perspective, people pay the same overall average total in long-term care insurance premiums. Younger people pay smaller amounts over a longer period of time, while older people pay higher rates over a shorter period of time. The key factor is that acceptance rates among younger employees are significantly higher than for older employees and retirees. Since you also have to be sure that you can continue to pay the premiums after retirement, you need to have a good idea of what your net retirement income will be after reductions (for survivor annuity, etc.), federal and state income taxes, and other premium deductions (for group health and life insurance). If you are in good health, it may be best to wait until you are in your 50s to consider purchasing long-term care insurance. At that point, you will have a better grasp of your financial situation, the assets to protect and the amount of long-term care insurance you can afford.

5. Mismanaging your sick leave

Both FERS and CSRS employees now receive full credit for their unused sick leave. Retirement annuities are based on years and *whole* months of federal service and unused sick leave. If an employee is retiring with 30 years, six months and 15 days of federal service, and has unused sick leave credit of five months and 15 days, his or her total service for annuity computation purposes will be exactly 31 years. If the same employee has an unused sick leave credit of exactly six months, he or she will be giving away 15 days that could have been used before retirement.

6. Leaving annual leave calculations to the last minute

Most federal employees have a ceiling of 240 hours of annual leave that they can carry over from one year to the next. Leave above the ceiling at the end of a leave year falls into the "use or lose" category. An employee who carries over 240 hours of annual leave and plans to retire the following November 30 can be paid a lump sum for the 240 hours plus the leave accrued through November 30, a total of up to approximately 432 hours (depending on annual leave usage in that last year of employment). Everyone needs to be sure to check this closely if they plan to retire at the end of the calendar year.

7. Failing to have five years of FEHBP coverage before retiring

A federal employee covered by a spouse's private-sector health plan who opts not to enroll in the Federal Employees Health Benefits Program (FEHBP) while employed or is enrolled in the FEHBP less than five years immediately prior to retirement cannot continue enrollment in the FEHBP as a retiree. To preserve this valuable benefit, employees should enroll in a low-cost Self Only FEHBP plan at least five years before retiring in order to continue FEHBP into retirement and maintain the opportunity to change coverage at a future Open Season.

8. Neglecting to elect a survivor benefit when you retire

Electing a survivor benefit for a spouse at retirement or upon marriage (or remarriage) after retirement will entitle a surviving spouse to a monthly annuity and to continue federal health benefits coverage. Recent retirees can (within 18 months) elect a survivor benefit; however, post-retirement elections are very