



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 Service Online Web site. To use it, you will need the PIN number you were issued by OPM or request one by going to www.opm.gov/retire. By keeping track of your benefits, you will be able to know ahead of time if your next payment is the correct amount and going to the right address.

AND



The *worst* mistake retired federal employees can make:

10. Failing to join NARFE

NARFE has the knowledge and support you need to help guide you in retirement. NARFE has more than 85 years of experience in federal retirement matters on Capitol Hill. NARFE's Retirement Benefits Service staff collectively have 90 years of experience in federal retirement and insurance issues. *NARFE* magazine provides members each month with the latest news on issues that affect their income and benefit security.

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 grass-root 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 Web site

NARFE's informative monthly magazine and Web site are the primary news sources for information about federal retirement and health care issues.

NARFE Retirement Support

NARFE's Retirement Benefits Service Department, Service Center volunteers and chapter service officers throughout the country help federal employees, retirees, their spouses and beneficiaries in matters relating to Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) retirement; employee or retiree health, life and long-term care insurance; Medicare; Social Security; and the Thrift Savings Plan.

Special Membership Discounts

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

Join NARFE Today!



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Federal Employees Association**

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10 Worst Mistakes

Federal Retirees Can Make



**National Active and Retired
Federal Employees Association**

NARFE, a nonprofit association, has been working for you since 1921.

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 location can be an expensive mistake. Thoroughly assess and compare the financial, emotional, cultural, medical, proximity to family and other considerations to prevent a decision you may later regret. Focus on the reality, rather than the dreams, of retirement. Once a year, NARFE publishes in its magazine state taxes on federal retirement benefits. You should research all state and local taxes, if this is a concern, when 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 being taken affecting your benefits. Members who do not understand an OPM's 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 Programs (options A, B and C) increase 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 in your specific situation. 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 reading 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. Something 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 on 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 non-federal 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 a family enrollment in effect at the time of death for your dependent(s) to ensure continued FEHBP health coverage.

6. Choosing the wrong health care options for a federally employed family

Choosing between having a family 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 family 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.**