QUESTIONS AND ANSWERS ON BENEFITS, PAY, AND LEAVE UNDER VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

Updated January 2025

Instructions:

Click on your desired Q&A topic to view frequently asked questions.

CSRS & FERS INFORMATION

Question 1. **What is Voluntary Early Retirement (VER) Authority (VERA)?**
Voluntary Early Retirement (VER), also referred to as "Early Out," is a strictly voluntary option that allows eligible employees to retire early under authority granted by the Office of Personnel Management (OPM).

Question 2. **Where can I find the most current VER information?**
Please visit: https://myhr.usps.gov/about_hr/organization_design/organizational_changes/ver

Question 3. **Who is eligible for a VER?**
Employees covered by the Civil Service Retirement System (CSRS) and employees covered by the Federal Employees Retirement System (FERS) may be eligible for a VER if they meet the following requirements:

1. The employee must be at least 50 years of age with at least 20 years of service, or any age with at least 25 years of service, and
2. At least five (5) years of that service MUST be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility.
3. The employee must hold a position covered by the VER offer.
4. The employee must have been on the Postal Service's rolls at least 31 days before the Postal Service's request to OPM for the applicable VER authority and have remained continuously on the Postal Service's rolls without a break in service since that time.
5. Employees who are in receipt of a final decision of removal based on misconduct or unacceptable performance on or before the VER effective date are **not** eligible for VER.

CSRS employees must have been employed under CSRS for at least one (1) year out of the last two (2) years, but the service need not be continuous.

Question 4. **Are all employees who meet the above requirements eligible for the VER?**
No. At the time of the VER offer, the specific category or categories of employees who are covered by the VER offer if they meet the other eligibility requirements will be announced. The Postal Service can only offer VER opportunities to the category or categories of employees authorized by OPM.

Question 5. **What is the major difference between VER and Optional Retirement?**
The age and service requirements are lower under VER than under optional retirement.
Early retirement may carry a penalty in the annuity computation.

Question 6. **If I meet the service requirement with 20 years of service, but not the age requirement, would my 50th birthday be the earliest date I could retire?**
Yes, provided your birthday is within the VER offer window. For retirement purposes, an employee legally meets the age requirement on the day before a birthday. For example, an employee meeting the service requirement who will be 50 years old on October 1 would be eligible to retire if the last date of the VER offer is September 30.

Question 7. **Is there a time period for retiring under the VER?**
Yes, each VER offer has a 'window' during which applications will be accepted and one or more retirement effective dates. The window dates and retirement effective date(s) will be announced at the time of the VER offer.

Question 8. **Can I cancel an application I submitted for disability retirement and take advantage of this VER offer now that I meet the eligibility requirements?**
Yes, an application for disability retirement may be withdrawn at any time prior to its approval from OPM. Applications may also be submitted for more than one retirement for which you qualify (discontinued service, MRA, etc.), and OPM will review each application separately.

Question 9. **Can I use my accumulated annual or sick leave balance to meet the years of service requirement?**
No, neither your annual nor your sick leave balance can be used to meet eligibility requirements.

Question 10. Am I eligible for the VER as a FERS covered employee who meets Minimum Retirement Age (MRA) with at least 10 years of service, but less than 20 years?

No, 20 years of service is the minimum to qualify for the VER. (You may be eligible to retire under a FERS MRA + 10 optional retirement with a reduced annuity.)

Question 11. How much money can I expect to receive in retirement on a monthly basis?

If you are offered a VER opportunity, you will receive an estimate of the annuity you will receive as of the effective date for retirements processed under your offer.

Question 12. Will my annuity be reduced if I take the VER?

CSRS/CSRS Offset Covered Employees: If you are under age 55, your annuity will be computed using a voluntary optional retirement annuity calculation based on total creditable years and months of service and average high-3 salary. Then, your annuity will be reduced at the rate of two percent (2%) for each year (or by one-sixth ($1/6^{th}$) of one percent (1%) for each full month) that you are under age 55. This reduction is permanent; your annuity will not be recomputed when you reach age 55.

FERS Covered Employees with a Frozen CSRS Component: The portion of your annuity based on a benefit that you accrued and retain under CSRS frozen service is subject to the reduction mentioned above for CSRS/CSRS Offset covered employees.

FERS Covered Employees without a CSRS Component: There is no reduction in your annuity if you take the VER offer.

Question 13. How is the high-3 average salary determined in computing an annuity?

Your high-3 average salary is the highest figure obtained by averaging your basic salary during any three (3) consecutive years of service, with each rate weighted by the length of time it was in effect. Basic salary includes higher-level pay and cost-of-living adjustments (COLAs), but does not include territorial cost of living allowance (TCOLA), overtime, bonuses, night differential, premium pay, military pay, lump sum terminal leave, or annual leave exchange payments, etc. In most cases, the last three (3) years of basic salary are the high-3 years. If you have a period of higher basic salary prior to the last three (3) years of employment, OPM will compute your annuity based on that earlier period, even if that period of service was with another federal agency. The high-3 calculation for part-time employees may differ; such employees may request a National Retirement Counseling System (NARECS) annuity estimate through the HR Shared Service Center (HRSSC), which will show the high-3 amount.

Question 14. When will my annuity start?

CSRS voluntary retirement annuities commence the first day of the month after the employee separates from service and meets the age and service requirements. Under the three-day rule, annuities of employees who serve in a pay status for three (3) days (or fewer) in the month of retirement commence on the day after separation or the day after pay ceases and the age and service requirements are met. For example, if your date of retirement is October 31st, your annuity commences on November 1st; if your date of retirement is March 3rd, your annuity commences on March 4th.

FERS voluntary retirement annuities commence the first day of the month after separation for retirement. Unlike CSRS, there is no special provision for employees who serve three days or less in the month of retirement or any provision allowing a voluntary retirement annuity to begin on the day after the last day of pay. For example, if your date of retirement is October 31st, your annuity commences on November 1st; if your date of retirement is March 3rd, your annuity commences on April 1st.

Question 15. How can I get credit for time worked in a position for which no retirement contributions were deducted from my pay?

CSRS/CSRS Offset Covered Employees: If the service was performed before October 1, 1982, it is creditable in full toward retirement eligibility and in computing your annuity if you make a deposit. However, if you don't make a deposit for this service, your annuity will be reduced by ten percent (10%) of the amount of the unpaid deposit, plus interest. If the service was performed on or after October 1, 1982, it will be used to determine retirement eligibility but is not creditable for annuity computation purposes unless you make a deposit, with interest, for this service.

FERS Covered Employees with a Frozen CSRS Component: The portion of your annuity based on a benefit that you accrued and retain under CSRS frozen service is subject to the creditability rules and calculations as mentioned above for CSRS/CSRS Offset covered employees.

FERS Covered Employees without a CSRS Component: If the service was performed before January 1, 1989, it will not count toward retirement eligibility or in computing your annuity unless a deposit, with interest, is made before the final adjudication of your retirement application. If the service was performed on or after January 1, 1989, it is not creditable under FERS, and a deposit cannot be made for this service.

Question 16. What impact will a previous withdrawal of my retirement contributions have on my retirement annuity?

CSRS/CSRS Offset Covered Employees: If you are a CSRS employee and you previously worked for the Postal Service or another federal agency where retirement deductions were withheld from your pay and later refunded to you, you can apply to make a *redeposit* of those funds for that period of service. CSRS covered employees whose refunded service ended *before* March 1, 1991 will receive retirement eligibility and annuity computation credit for the length of the refunded service. However, *unless the redeposit is paid in full, plus interest, your annuity will be actuarially reduced*, based on your age and the amount of redeposit. If the refunded service ended on or after March 1, 1991, you will receive credit for eligibility, but you must pay the redeposit in full, plus interest, to receive credit for the service in the annuity computation. [Note that the March 1, 1991, date applies to non-disability annuitants whose separation from service occurs on or after October 28, 2009; otherwise, the refunded service must have occurred prior to October 1, 1990].

FERS Covered Employees with a Frozen CSRS Component: The portion of your annuity based on a benefit that you have accrued and retain under CSRS frozen service is subject to the creditability rules and calculations as mentioned above for CSRS/CSRS Offset covered employees. For the portion of your annuity based on a benefit that you accrued under FERS, please see the next paragraph.

FERS Covered Employees without a Frozen CSRS Component: If you had a prior period of service covered by FERS and withdrew your FERS retirement contributions, you have the opportunity to make a redeposit of the amount refunded, plus interest, and receive credit for the refunded period of service under FERS. You receive credit for determining your eligibility to retire even if you do not make a redeposit.

However, if the redeposit is not paid in full, plus interest, no credit is allowed for calculating your annuity.

Question 17. If I take the VER, will I be eligible to withdraw my retirement contributions and take a reduced annuity?

No. The Alternative Form of Annuity/Lump Sum option is presently available to only those employees documented to have a life-threatening affliction, and who separate with immediate entitlement to an annuity, other than a disability annuity.

Question 18. How can I receive credit for military service if I'm receiving military retired pay?

To receive credit, you must waive your retired pay and you must make a post-1956 deposit, unless your retirement is based on exception criteria. Contact the Human Resources Shared Service Center (HRSSC) at 1-877-477-3273, option 5, TDD/TTY 1-800-877-8339 if you were injured in combat or in the line of duty.

Question 19. When should I make my post-1956 military deposit?

Completed deposits plus applicable interest are required before retirement; however, you may initiate this payment while completing the retirement application package. If you currently have a military deposit in progress through payroll deductions or periodic lump sum payments, contact the HRSSC at 1-877-477-3273, option 5, TDD/TTY 1-800-877-8339 to determine the remaining balance of your military deposit.

Question 20. Where can I find more information about VER and retirement in general?
If you are eligible for retirement under the VER offer, you will receive further information from the Postal Service that includes useful resources. To learn more about retirement, you can visit https://myhr.usps.gov/retirement/planning_for_retirement. The final adjudication of your retirement application will happen at the U.S. Office of Personnel Management (OPM - a separate government agency that administers federal retirement plans). Following your retirement, OPM will become your human resources servicer. You can access OPM's website at www.opm.gov/retire.

Question 21. If applicable, will CSRS voluntary contributions I previously made be refunded to me?
If you have elected to make CSRS Voluntary Contributions, there will be no automatic refund, but you may apply for a refund (including a rollover to a traditional Individual Retirement Account [IRA], a Roth IRA, or an eligible employer plan) any time before you receive an annuity based on these contributions. Otherwise, your CSRS annuity will be increased according to the Voluntary Contribution regulations.

Question 22. If I separate from the Postal Service under a VER, can I apply for unemployment compensation?
Yes. At the time of retirement, you will receive an SF-8, Notice to Federal Employees About Unemployment Insurance, advising you of your right to file a claim for unemployment compensation. While any employee who is separated may apply for unemployment compensation, most states exclude from eligibility those applicants who have voluntarily retired from employment. Furthermore, Federal law requires states to reduce the weekly unemployment amount by the weekly amount of any government or other pension, retirement, or retired pay.

Question 23. If I separate from the Postal Service under a VER, am I entitled to severance pay?
No. If you voluntarily retire from the Postal Service, you are not entitled to severance pay.

[NOTE: Questions 24 through 30 apply to FERS Covered Employees Only]

Question 24. Can I still receive the Special Retirement Supplement as a FERS covered employee with a CSRS component?
Yes, if you had one (1) full calendar year of service subject to FERS and otherwise meet the requirements.

Question 25. Can my FERS basic benefit also be reduced because of earnings over the earnings test limit?
No. Your FERS basic benefit cannot be reduced because of earnings over the earnings test limit.

Question 26. What is the FERS Special Retirement Supplement?

It is an annuity supplement only for FERS covered employees paid by OPM, which estimates the Social Security benefit earned by your FERS covered years of service. It is paid until you become eligible for a Social Security benefit at age 62. However, under VER, this supplement is payable only if you have reached your MRA, which is your earliest optional retirement age, ranging from 55 to 57 depending upon your year of birth. If you are retiring at less than your MRA, the supplement will not be paid until you reach your MRA.

FERS employees are eligible for the FERS Special Retirement Supplement if they retire:

- at their MRA with 30 years of service;
- at age 60 with 20 years of service; or
- at age 50 with 20 years of service or any age with 25 years of service in an early voluntary retirement (in a RIF, major reorganization, or transfer of function) or in an involuntary (discontinued service) retirement.

This supplement is payable only if you have reached your MRA. If you are separating before reaching your MRA, the supplement will not be paid until you reach your MRA. If you are eligible for the supplement, it cannot be paid until your retirement application has been adjudicated by OPM.

Question 27. How is the Special Retirement Supplement computed?

The supplement is computed as if you were age 62 and eligible for a Social Security benefit when the supplement begins. By law, OPM first estimates what your full career (40 years) Social Security benefit would be. Then it calculates the amount of your civilian service under FERS and reduces the estimated full career Social Security benefit accordingly. For example, if your estimated full career Social Security benefit is $1,000 monthly and you have worked 30 years under FERS, OPM will divide 30 by 40 (0.75) and multiply ($1,000 x 0.75 = $750 monthly). The result would be your Special Retirement Supplement, before any reductions.

Question 28. Do salary or wages earned after I retire affect the Supplement?

Yes. Your Special Retirement Supplement, like Social Security benefits, is subject to an earnings test. It is reduced if you earn more than the exempt amount of earnings (determined each year by Social Security) in the immediately preceding year. Under OPM rules, the earnings history does not include certain monies you may receive, and these amounts are not included in the earnings test:

- earnings during the year in which an employee separates for an immediate retirement,
- pensions or annuities paid as retirement income, including a FERS annuity,
- your terminal annual leave payment, or a separation incentive.

Question 29. How long will I continue to receive the Special Retirement Supplement?

The Special Retirement Supplement will continue until the earlier of (1) the last day of the month before the first month for which you would be entitled to Social Security benefits, or (2) the last day of the month in which you reach age 62.

Question 30. Can I continue to get the Special Retirement Supplement after age 62 if I'm not eligible or I don't apply for Social Security benefits?

The supplement ends at age 62, regardless of whether or not you receive benefits from Social Security.

SOCIAL SECURITY

Question 1. **How would a VER affect my Social Security benefits?**
In terms of Social Security, taking a VER is the same as Optional Retirement. If you qualify for Social Security, you may apply to receive actuarially reduced benefits as early as age 62. You can visit www.ssa.gov to view your individual Social Security benefits statement, which will provide the age at which you are eligible to receive full benefits.

Question 2. **Will my Social Security benefit be reduced under the Windfall Elimination Provision because I receive a CSRS annuity?**
Your Social Security benefit may be reduced under the Windfall Elimination Provision (WEP). WEP lowers the percentages used to compute benefits for all workers who have less than 30 years of Social Security-covered employment and who have earned an annuity from employment not covered by Social Security, such as a CSRS annuity. The Social Security Administration publishes information on this provision on its website: http://www.ssa.gov/gpo-wep/.

Question 3. **What is the Government Pension Offset?**
This provision in the Social Security law affects the Social Security benefit of a CSRS retiree who did not pay Social Security taxes but expects to receive a Social Security benefit as a spouse or surviving spouse. This provision does NOT affect CSRS Offset and FERS covered annuitants. The Social Security Administration publishes information on this provision on its website: http://www.ssa.gov/gpo-wep/.

Question 4. **How do I obtain more information about Social Security?**
Social Security offers several pamphlets, books and fact sheets. For more information or to obtain free publications, contact your local Social Security office, or call 1-800-772- 1213, or refer to the website: http://www.ssa.gov.

THRIFT SAVINGS PLAN (TSP)

Question 1. Can I withdraw from TSP without an early withdrawal penalty?
If you separate from the Federal Government in the year you turn 55 or older, you can withdraw funds from your TSP account without the 10% early withdrawal penalty for not being 59½.

Question 2. What happens to my TSP loan after retirement?
If you have an outstanding TSP loan when you retire, you have three options:

a. Pay off the loan by the required deadline; or
b. Keep the loan active by setting up monthly payments by check, money order, or recurring direct debits. The payment will be changed to a monthly schedule, if necessary; however, the maximum time limit for paying off the loan will still apply.
c. Allow the loan to be foreclosed and accept any taxable portion of the outstanding balance and accrued interest as taxable income.

Note: If you opt to allow your loan to be foreclosed, access to your TSP funds will be delayed.

Question 3. When I die after retirement, who receives the remaining balance of my TSP?
If you do not file a Designation of Beneficiary form or have not recorded your beneficiaries at www.tsp.gov before the date of your death, your remaining balance will be distributed according to the order of precedence required by law.

Question 4. If I roll over my TSP account to an IRA after retirement, can I roll the funds back to TSP?
Yes. TSP will accept both transfers and rollovers of tax-deferred money from traditional Individual Retirement Arrangements (IRAs), SIMPLE IRAs, and eligible employer plans such as a 401(k) or 403(b) into the traditional balance of your account.

TSP will accept only transfers (i.e., direct rollovers) of qualified and non-qualified Roth distributions from Roth 401(k)s, Roth 403(b)s, and Roth 457(b)s into the Roth balance of your account. If you don't already have a Roth balance in your existing TSP account, the transfer will create one.

Question 5. How can I find out how much I can get monthly from TSP?
You can visit the TSP Payment and Annuity Calculator: https://www.tsp.gov/calculators/.

Question 6. What is the Required Minimum Distribution (RMD) for TSP?
The Internal Revenue Code requires that you receive a portion of your TSP account (your required minimum distribution or RMD) beginning when you reach a specific age and are separated from service. TSP will initiate the required distribution to you by April 1 of the year following your separation. The table below shows applicable age and required beginning date:

Participant's Date of Birth	Applicable Age	Employment Status as of 12/31/2022	Required Beginning Date
Before January 1, 1951	Has already passed	Separated	Has already passed
		Active	April 1 of the year after separation
January 1, 1951 - December 31, 1951	73	Separated	April 1, 2025
		Active	April 1 of the year after separation
January 1, 1952 - December 31, 1959	73	Separated	April 1 of the year after participant is both separated and at least 73
		Active	
After December 31, 1959	75	Separated	April 1 of the year after participant is both separated and at least 75
		Active	

Question 7. If I retire under a VER, are there any special TSP advantages, penalties, or rules?
There are no differences in TSP provisions for retirement under VER versus separation or optional retirement. You will have the same withdrawal choices and tax consequences as any other separated or retired employee with the same separation or retirement date and age.

Question 8. If I retire under a VER, can I continue to contribute to TSP?

No. Following retirement, you are not eligible to make additional contributions to or borrow money from your TSP account. You may continue to reallocate money among the TSP funds.

Question 9. If I retire under a VER, can I withdraw funds from my TSP?

Yes. If you retire, you will receive extensive information regarding your TSP withdrawal options and whether you may leave your money in TSP.

Question 10. How long will it take me to get my money from TSP?

Withdrawal of funds may take at least two (2) months following separation and after the receipt of properly completed forms by TSP.

If you have an outstanding TSP loan, please refer to question #2 above under the TSP section for additional information.

Question 11. If I withdraw money from my TSP account, will I have to pay taxes?

If you retire before the year that you reach age 55, then any amount that you withdraw from your TSP account before you reach age 59½ is subject to an early withdrawal penalty tax of ten percent (10%). However, this penalty tax does not apply to amounts received under certain withdrawal options, such as an annuity or rollover to an IRA.

Question 12. Does my spouse have any rights concerning how I withdraw my TSP funds?

Your spouse does have certain rights, as explained in TSP materials you will receive.

Question 13. Where can I find more information about TSP?

If you are eligible for VER retirement, you will receive further information from the HRSSC, which is your source for such information while you are an employee. After you separate, you must contact the TSP Service Office for assistance with your TSP account or if you have TSP questions. It is extremely important to inform the TSP Service Office of any changes in your address. A change of address form is included in the withdrawal package sent to you by the HRSSC. Contact the TSP Service Office at 1-877-968-3778, TDD (for deaf and hard of hearing participants) use 1-877-847-4385; or access the TSP website at www.tsp.gov.

MEDICARE

Question 1. Am I eligible for Medicare?

Generally, you are eligible for Medicare if you or your spouse worked for at least 10 years in Medicare-covered employment, you are age 65 or older, and you are a citizen or permanent resident of the United States. You may be eligible for Medicare benefits prior to age 65 if you have a qualifying disability.

Question 2. What happens if I don't take Medicare Part B as soon as I'm eligible?

The Postal Service Reform Act requires certain Medicare-eligible Postal Service annuitants to enroll in Medicare Part B to maintain their Postal Service Health Benefits (PSHB) coverage in retirement. For Medicare-eligible annuitants, Medicare will be the primary payer for your eligible medical claims, and PSHB will be the secondary payer.

Enrollment in Medicare does not cancel your PSHB coverage or reduce the PSHB Program benefits that are available. PSHB and Medicare benefits will work together to provide coverage.

To determine your Medicare Part B enrollment requirements, please refer to the chart below.

If you were	Then you are
an active employee, age 64 or older, as of Jan. 1, 2025	not required to enroll in Medicare Part B to continue your PSHB health insurance coverage when you retire.
an active employee under the age of 64 as of Jan. 1, 2025 or not an active employee as of Jan. 1, 2025	required to enroll in Medicare Part B after you retire and become entitled to Medicare Part A, typically at age 65, unless you are eligible for an exception.

There are a few exceptions to the Medicare Part B enrollment requirement under the PSHB Program. Postal Service annuitants and their family members may be responsible for providing proof of eligibility for the applicable exception(s) to the appropriate agency.

The exceptions are:

- Annuitants who are residing outside of the United States and its territories. This exception requires that annuitants provide proof of residency as prescribed in USPS and OPM established regulations.
- Annuitants who are enrolled in healthcare benefits provided by the Department of Veterans Affairs.
- Annuitants who are eligible for health services provided by the Indian Health Service.

If you are required to enroll in Medicare Part B based on the requirements provided and you do not enroll in Medicare Part B once you retire and become eligible, you will forfeit your eligibility to participate in the PSHB Program. In addition, if you are required to enroll in Medicare Part B once you retire and reach the age of 65, do not enroll in Medicare Part B at that time, and enroll later within a provided grace period, you may be subject to a 10% penalty for every year following your initial eligibility to enroll in Medicare. This penalty is permanent.

If you are an active employee who is age 65 or older and who has not previously enrolled in Part B (or you are covered under your spouse's group health insurance plan and your spouse is an active employee), you may sign up for Part B without a late enrollment penalty within 8 months from the time you or your spouse stop working or are no longer covered by the group plan.

Question 3. Can I change my PSHB enrollment when I become eligible for Medicare?

Yes, you may change your PSHB enrollment to any available plan or option at any time beginning 30 days before you become eligible for Medicare. You may use this enrollment change opportunity only once. You may also change your enrollment during the annual open season or because of another event that permits enrollment changes (such as a change in family status).

Note: You will continue to pay the same PSHB premiums, unless you change to another plan or option.

Question 4. If I continue to work past age 65, is my PSHB coverage still primary?
Yes. Your PSHB coverage will be your primary coverage until you retire. After you retire and enroll in Medicare Part B, then Medicare will be your primary coverage for eligible expenses and PSHB will be your secondary coverage.

Question 5. How do I obtain more information about Medicare?
Call 1-800-MEDICARE (1-800-633-4227), TTY is available at 1-877-486-2048, or refer to the website: www.medicare.gov.

POSTAL SERVICE HEALTH BENEFITS (PSHB)

Question 1. How can I carry PSHB into retirement?

To continue your PSHB enrollment into retirement, you must: (1) have retired on an immediate annuity; and (2) have been continuously enrolled (or covered as a family member) in any FEHB Program plan (not necessarily the same plan), which includes both FEHB and PSHB health plans, for the five years of service immediately preceding retirement, or if less than five years, for all service since your first opportunity to enroll.

Question 2. Can you suspend PSHB?

Yes, under limited circumstances. As an annuitant, you can suspend your PSHB enrollment to enroll in a Medicare Advantage plan; TRICARE, CHAMPVA, Medicaid or a similar state-sponsored program of medical assistance for the needy; or use Peace Corps health insurance coverage. Later, if you lose your other coverage, you may re-enroll in a PSHB plan effective the date coverage was lost. If you do not lose your other coverage but want to re-enroll in a PSHB plan, you may do so during Open Season.

Question 3. What will happen to my health benefits?

Your current health benefits coverage will transfer into retirement, provided you meet the eligibility requirements of:

- retiring on an immediate annuity,
- and continuous coverage in the FEHB Program, which includes both FEHB and PSHB health plans, for the five (5) years of service immediately preceding the date your annuity starts or since your first opportunity to enroll (if less than five years).

For employees who do not qualify under the preceding requirements, OPM has the authority to grant pre-approved waivers to employees who have been:

- Covered under the FEHB Program continuously since the beginning date of the OPM-approved VER; and
- Retire during the OPM-approved VER period and take the VER offering.

If you qualify for a pre-approved waiver, the HRSSC will include the pre-approved waiver with your retirement application that is sent to OPM. Waiver is not guaranteed.

Question 4. What will happen to my health benefits if I don't meet the eligibility requirements described in the preceding question?

If you do not qualify under the eligibility requirements to transfer your health benefits into retirement as described in the preceding answer, and you do not receive a pre-approved waiver as described above, OPM has the authority to grant waivers to employees who fail to satisfy the five-year or first opportunity requirement due to exceptional circumstances. If you request a waiver, you must provide OPM with evidence that:

- you had intended to have PSHB coverage as a retiree;
- the circumstances that prevented you from meeting the 5-year or first opportunity requirement were essentially outside your control; and
- you acted reasonably to protect your right to continue PSHB coverage into retirement. (This includes reading and acting on information provided and requesting information if none is given automatically.)

If OPM does not approve your waiver request, you have two options, as follows:

- You can convert to a nongroup contract (individual policy) with the carrier of the plan you are enrolled in at the time of your separation.
- You can elect 18 months of coverage under the Temporary Continuation of Coverage (TCC) provisions of the PSHB.

The HRSSC will notify you that your group health insurance coverage will terminate and provide information about continuing your health insurance coverage beyond the 31-day temporary extension.

Question 5. **Will my health benefits costs increase if they transfer into retirement?**

Bargaining Employees: Yes, your premium payment will change to the level paid by all other federal annuitants (and federal employees) rather than receiving the Postal Service health benefits contribution negotiated through collective bargaining. This means that the same health plan may be more costly for an annuitant than for an active Postal Service employee.

Nonbargaining Employees: No, you will pay the same premium as you paid while you were an employee.

As an annuitant, you will pay for health coverage through monthly withholding from your annuity, instead of paying through biweekly withholding from your paycheck (12 payments annually instead of 26 payments annually). Each payment will be higher when paid on a monthly basis.

Tax regulations do not permit you to receive the tax break as an annuitant that you receive as an employee under the pretax payment of health insurance premiums provided by the Postal Service.

Question 6. **Will coverage I have under TRICARE/CHAMPUS count toward the PSHB five (5) year or first opportunity requirement?**

Yes, as long as you are covered under a PSHB enrollment at the time of retirement. In addition, you must have enrolled in the FEHB/PSHB Program within 60 days after you lost coverage under TRICARE for it to be considered part of the continuous PSHB coverage.

Question 7. **What happens if I cancel my health benefits enrollment when I retire?**

If you cancel your PSHB enrollment as an annuitant, you will NEVER be able to reenroll, unless you become reemployed in a position that conveys coverage.

Question 8. **If I cancel my PSHB enrollment to be under my spouse's PSHB enrollment, will I be able to reenroll under my own coverage at a later date?**

Yes. As long as you are continuously covered under a PSHB enrollment, you remain eligible to make any of the same enrollment elections or changes that an active employee would be eligible to make.

Question 9. **Will a period of health benefits termination due to leave without pay (LWOP) greater than 12 months count as a break in the continuous coverage necessary for continuing PSHB coverage into retirement?**

No. The termination of your health benefits due to 365 days in LWOP status is not considered a break in the continuous coverage necessary for continuing PSHB coverage into retirement. However, the period during which the termination is in effect does not count toward satisfying the required five (5) years of continuous coverage. In addition, to meet eligibility requirements, you must have reenrolled in health benefits within 60 days of returning to pay status.

Question 10. **Where can I find more information on health insurance in retirement?**

If you are eligible for VER, you will receive further information from the Postal Service. You can also access additional information on the PSHB Program at https://myhr.usps.gov/pay_benefits/benefits/postal_service_health_benefits As an annuitant, you can refer to OPM’s website at https://www.opm.gov/healthcare-insurance/ for information.

Question 11. If I am not eligible to keep my PSHB for any reason, what are the options for continuing my health insurance coverage?

You have two options, as follows:

- You can convert to a nongroup contract (individual policy) with the carrier of the plan you are enrolled in at the time of your separation.
- You can elect 18 months of coverage under the Temporary Continuation of Coverage (TCC) provisions of the PSHB Program.

The HRSSC will notify you that your group health insurance coverage will terminate and provide information about continuing your health insurance coverage beyond the 31-day temporary extension.

The 31-day temporary extension of coverage begins the day after your regular coverage ends. However, if you are confined to a hospital on the 31st day of the temporary extension, your benefits will continue during confinement up to a maximum of 60 more days, unless you convert to a nongroup (individual) policy. These temporary extensions of coverage are without cost to you, and they apply to all covered family members.

Question 12. How do I apply for an individual policy?

When your enrollment terminates, the Postal Service will give you a notice of your right to convert to an individual policy on the SF 2810, Notice of Change in Health Benefits Enrollment. You should be provided with this notice immediately upon your enrollment termination, but no later than 60 days from the termination date.

To apply for conversion, complete the back of your copy of the SF 2810 and take or mail it to the carrier of your plan within 31 days from the date of the HRSSC's notice to you (part H of SF 2810), but no later than 91 days from the date your enrollment terminates (Part A, item 8 of SF 2810).

Question 13. How do I elect Temporary Continuation of Coverage (TCC)?

You must complete and submit SF 2809, Health Benefits Election Form, to the HRSSC within 60 days of the following, whichever is later:

- The date of separation.
- The date you received notification from the HRSSC about options available for continuing your health insurance coverage.

Question 14. What plan choices do I have under TCC?

You may choose any PSHB plan, option, or type of coverage that you are eligible to select. If you elect TCC, you will be responsible for the full premium cost plus a two percent (2%) administrative surcharge.

Question 15. If I elect one of the options available for continuing my health insurance coverage, when is coverage effective?

The effective date of coverage for both options is the day after the expiration of the 31- day temporary extension. When TCC expires after 18 months, you will be entitled to a free 31-day temporary extension of coverage for the purposes of converting to a nongroup contract (individual policy) with the plan.

Question 16. Where can I find more information on health insurance?

You can access additional information on the PSHB program at https://myhr.usps.gov/pay_benefits/benefits/postal_service_health_benefits. As an annuitant, you can refer to OPM's website at https://www.opm.gov/healthcare-insurance/ for information.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE (FEGLI)

Question 1. How can I carry FEGLI into retirement?

You must have been enrolled into FEGLI basic and optional insurances for 5 consecutive years prior to your retirement date or since your first opportunity to enroll if less than 5 years.

Question 2. If I take the VER, I will not meet the five (5) year requirement to continue my FEGLI optional coverage. Can I convert this coverage to an individual policy?

Yes. After you are separated, the HRSSC issues SF 2819, Notice of Conversion Privilege, Federal Employees' Group Life Insurance Program. This notice advises that your group life insurance coverage will terminate and gives you information about your right to convert to an individual direct-pay policy. However, if you have assigned your life insurance coverage to another party, only the assignee (or assignees) may convert the insurance coverage.

Question 3. How do I convert my life insurance to a nongroup contract?

- If you are eligible, complete the appropriate eligibility statement on SF 2819, Notice of Conversion Privilege, Federal Employees' Group Life Insurance Program, and mail it to the return address provided in the instructions on the form. You must mail your eligibility statement within:
  1. 31 days after you received notification from the HRSSC about your right to convert; or
  2. 60 days after the date of the terminating event, whichever is earlier.

Note: An individual policy will not include disability or accidental death or dismemberment benefits.

Question 4. How much will a nongroup life insurance contract cost?

The premiums for a nongroup life insurance contract will be determined by the type and amount of the coverage and your age and class of risk on the day following termination of your group coverage. You will be responsible for the total premium cost of the nongroup life insurance contract.

Question 5. If I elect to convert to a nongroup life insurance contract, when will coverage begin?

If you elect to convert to a nongroup life insurance contract, your coverage and premium payments will be effective retroactive to the day after the 31-day temporary extension ended. Any insurance policy purchased under the conversion privilege is a private business transaction between you and the insurance company.

Question 6. What happens to my basic life insurance after I retire and reach age 65?

Basic life insurance is your salary at the time of retirement rounded to the nearest $1,000 plus an additional $2,000.

- **If you choose no reduction,** you will continue to pay a premium and the policy will remain at full face value.
- **If you choose 50% reduction,** you will continue to pay a premium, and at age 65 the policy will begin to reduce by 1% per month until it reaches 50% of face value.
- **If you choose 75% reduction,** you will not pay a premium once you reach age 65, and the policy will begin to reduce by 2% per month until it reaches 25% of face value.

Question 7. **What happens to Option A, Option B and Option C after I retire?**

If you have maintained optional coverage for a 5-year consecutive period leading up to your retirement or are otherwise eligible to continue your optional coverage, you can choose to keep Option A, Option B, and/or Option C in retirement. The cost of the coverage will vary depend on your life insurance elections and if you chose to decrease your coverage level.

Option A – Gives you an additional $10K

- **If you continue it in retirement,** you will pay a premium and the policy value will remain the same, but the premium will increase every 5 years until you reach age 65. Once you reach age 65, you will no longer pay a premium, however, your policy will reduce 2% per month until it reaches 0% of face value.

Option B - multiples of your salary & **Option C** - for spouse and children (up to age 22)

- **If you choose no reduction multiples,** you will pay a premium and the policy will remain at full face value, but the premium will continue to increase every 5 years.
- **If you choose full reduction multiples,** you will continue to pay a premium and the policy will remain at full face value, but the premium will continue to increase every 5 years. At age 65, you will not pay a premium, but the policy will reduce 2% per month until it reaches 0% of face value.

Question 8. **Will the SF 2823, Designation of Beneficiary form filed in my electronic Official Personnel Folder (eOPF) remain valid after I retire?**

Yes. Any valid designation on file in your eOPF will remain valid unless your annuity terminates or you change or cancel the designation. Changes or cancellations after retirement must be submitted directly to the OPM. You can contact your local HR office or HRSSC to request a copy of your Standard Form 2823 (if applicable) that is currently on file in your eOPF. If you are unsure about your listed beneficiaries, you can include an updated SF 2823 as part of your retirement application.

Question 9. **Where can I determine the cost of FEGLI in retirement?**

You may compute the cost of your premiums using OPM's FEGLI Calculator at https://www.opm.gov/retirement-services/calculators/fegli-calculator

FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP)

Question 1. What is the current status of FLTCIP enrollments?
As of December 19, 2022, individuals not currently enrolled in FLTCIP may not apply for coverage and current enrollees may not apply to increase their coverage. The suspension will remain in effect until OPM issues a notice to end the suspension period.

Question 2. Can I enroll in FLTCIP after retirement?
When applications are open again, yes. There is no 5-year requirement for continuing FLTCIP into retirement. Certain medical conditions, or combinations of conditions, will prevent some people from being approved for coverage. After applications reopen, you must apply to find out if you are eligible to enroll. For more information about the FLTCIP, please contact LTCFeds at 1 800-582-3337.

Question 3. Can family members enroll into FLTCIP?
When applications are open again, yes. Qualifying relatives include your spouse, domestic partner, adult children, parents and parents-in-law (of employees only), and they are allowed to apply to see if they are eligible to enroll.

Question 4. What happens to my long-term care insurance if I am involuntarily separated by a RIF and I'm not eligible for retirement?
This will not affect your FLTCIP coverage. Your coverage will remain in effect as long as you continue to pay premiums. If you pay your premiums through payroll deduction, you will need to contact Long Term Care Partners at 1-800-LTCFEDS (1-800-582-3337), TTY 1-800-877-8339 to make other billing arrangements. You may also complete the Billing Change Form, which can be found at http://www.ltcfeds.com.

Question 5. Where can I find additional information about FLTCIP?
You can find additional information at http://www.ltcfeds.com or by calling Long Term Care Partners at 1-800-582-3337, TTY 1-800-877-8339.

FEDERAL EMPLOYEE DENTAL & VISION INSURANCE PROGRAM (FEDVIP)

Question 1. Can I continue my FEDVIP dental and/or vision coverage into retirement?
Yes. Your FEDVIP coverage automatically continues when you retire if you are enrolled as an employee. There is no 5-year requirement for continuing FEDVIP into retirement. To be eligible for FEDVIP as a retiree, you must have retired with an immediate annuity (note: a FERS Minimum Retirement Age plus 10 annuity, postponed, counts as an immediate annuity). You can enroll in a FEDVIP dental plan and/or a FEDVIP vision plan for the first time as a retiree, even if you were never enrolled as an employee, as long as you have an immediate annuity. *Note: Those in receipt of a deferred annuity are not eligible to enroll in FEDVIP.*

Question 2. Can I cancel my FEDVIP enrollment when I retire from the Federal government?
You can only cancel your FEDVIP dental or vision enrollment during the annual Open Season or when you have a qualifying life event.

Question 3. Will my premiums change when I retire?
No, your premiums or benefits will not change after retirement. Your premiums, however, will be post-tax and will be withheld from your monthly annuity.

Tax regulations do not permit you to receive the tax break as an annuitant that you receive as an employee under the pretax payment of health insurance premiums provided by the Postal Service.

Question 4. Do I need to contact BENEFEDS to let them know that I have retired and FEDVIP premiums need to come out of my annuity payments instead of my Postal Service paycheck?
You are not required to contact BENEFEDS. However, you can speed up the process of having premiums withheld from your annuity (so you have to catch up on fewer premiums) by contacting BENEFEDS.

In most cases, changing from payroll deduction to annuity deduction is automatic, but may take one to three months to occur because premiums cannot be deducted from your annuity while you are receiving "special" or "interim" pay. Once your annuity is finalized, premium deductions will begin, assuming your annuity is sufficient to cover the premiums.

If you miss one or more premium payments before your annuity is final, BENEFEDS may send you a direct bill which you must pay. If you do not pay the bills, your coverage may be cancelled.

Question 5. If I'm not enrolled now, and I retire, can I enroll during retirement?
Yes, you can enroll during an Open Season as an annuitant.

Question 6. What happens to my dental and/or vision insurance (FEDVIP) if I am involuntarily separated by a RIF and I'm not eligible for retirement with an immediate annuity?
You cannot enroll or continue FEDVIP enrollment after you leave the Postal Service.
There is no 31-day temporary extension of coverage or opportunity to convert to private coverage. Your coverage ends on the last day of the pay period in which you separate. If you are only eligible for deferred retirement (this means you cannot receive a retirement annuity immediately, but you can receive an annuity at a future date) you cannot enroll in or continue FEDVIP.

Question 7. How do I contact BENEFEDS, and where can I find additional information about FEDVIP?
You can find additional information at www.benefeds.gov or by calling 1-877-888-FEDS (3337), TTY 711. .

FLEXIBLE SPENDING ACCOUNTS (FSA)

Question 1. Am I eligible to participate in FSA programs in retirement?

No. By law, annuitants cannot participate in any FSA programs, including Inspira Financial. FSAs are a way of setting aside pretax salary for reimbursement of eligible expenses. Annuitants receive annuities, which are not salary.

Question 2. What happens to your FSA funds when you retire?

a. Your Health Care FSA or Limited Expense Health Care FSA will terminate as of the date of your retirement. There are no extensions. Any eligible health care expenses incurred prior to the date of retirement will still be reimbursed, but those incurred after the separation date are not reimbursable, even if you accelerated your allotments.

- You have until April 30 of the following year to submit claims towards your current year and carryover balance. Any balances remaining for which claims were not submitted by April 30 will be forfeited.

b. Your Dependent Care FSA (DCFSA) remaining balance can continue to be used to pay for eligible dependent care expenses until your account balance is depleted or the end of the calendar year, whichever comes first.

Question 3. Can annuitants participate in the Inspira Financial FSA program?

No. Under the IRS Code, annuitants (other than reemployed annuitants whose employment status is full-time) cannot participate in FSA.

Question 4. Where can I find additional information about FSA?

You can find additional information by accessing the **FSA USPS Booklet** or by calling Inspira Financial customer service department at 833-419-0305.

SICK LEAVE

Question 1. **Will I get a lump sum payment of my unused sick leave at retirement?**
No, accumulated hours of sick leave are not paid in a lump sum at the time of retirement. Sick leave hours are converted into creditable service and may increase your overall annuity payment.

Question 2. **How is sick leave converted into retirement?**
Your sick leave is converted to years, months, and days that are added to your total actual service at retirement eligibility using the 2080 Sick Leave Conversion Chart at:

https://myhr.usps.gov/documents/d/guest/usps-2080-sick-leave-conversion-chart

Your service credit and sick leave will be combined to determine your total service credit. Your annuity will be computed with only your total service credit, using only years and whole months of service.

Note: One year of creditable service is equivalent to 2080 sick leave hours.

Question 3. **Can I request to use sick leave prior to the effective date of retirement?**
Postal Service sick leave policy continues to apply. Sick leave used prior to the effective date of retirement may affect your total service credit by decreasing your total actual service. This may affect your annuity. The annuity estimate you received was only an estimate. OPM is the agency that adjudicates your final retirement and annuity payment.

Question 4. **Does sick leave count towards FERS Annuity Supplement?**
No, sick leave hours are not included when calculating the Special Supplement Annuity.

Question 5. **If I separate from the Postal Service under a VER, what will happen if I am indebted to the Postal Service for advanced sick leave?**
If you are indebted to the Postal Service for unearned annual or advanced sick leave, you must refund the amount paid for the unearned leave. If you do not refund the amount of the indebtedness, deductions will be made from any funds paid to you upon your separation and/or the Postal Service may seek to recover the debt.

ANNUAL LEAVE

Question 1. **What is a terminal leave check?**
A terminal leave check is a lump-sum payment for earned annual leave upon separation.

Question 2. **Is there a maximum amount of earned annual leave I can receive in a terminal leave check?**

No, not when separating under a VER. Nonbargaining and bargaining employees may receive a lump-sum payment for**:**

- Accumulated annual leave carried over from the previous year;
- Accrued annual leave for the year in which they separate, including amounts over the applicable carryover maximum;
- Any unused donated leave; and
- For full-time and part-time regular employees, holidays that fall within the terminal leave period.

Postal employees are advanced annual leave at the beginning of each leave year. Accordingly, it is important that you distinguish between your earned annual leave and your available annual leave.

Question 3. **What rate of pay is used for the terminal leave payment?**
Terminal leave is paid at the salary rate in effect at the time of the employee's separation. Terminal leave payment can be direct deposited.

Question 4. **When will I receive the terminal leave check after retirement?**
The terminal leave check is issued one or two pay periods after the effective date of retirement or two pay periods after the separation action is processed.

Question 5. **If I separate from the Postal Service under a VER and have earned and unused annual leave, will I be paid holiday leave for any holidays that occur after my separation date but before my annual leave would be exhausted?**
Yes. Annual leave is spread over the appropriate number of days following your separation date and extended one day for each postal holiday that occurs during that time period. For example, if you have 160 hours of earned and unused annual leave and two holidays would occur in the four weeks (40 hours per week) after the date of your separation, you would receive terminal leave pay for 176 hours (160 hours of earned and unused annual leave plus 16 hours of holiday leave).

Question 6. **What effect will participation in the Annual Leave Exchange Program have on my terminal leave payment?**
As stated in the letters notifying individuals of their eligibility to participate in the Annual Leave Exchange Program:

"When an employee retires or separates from the Postal Service before earning sufficient leave to cover the amount exchanged, the excess leave exchanged will be offset against the previously accumulated leave balance when calculating the employee's terminal annual leave payment."

Question 7. **If I separate from the Postal Service under a VER, what will happen if I am indebted to the Postal Service for unearned annual leave?**
If you are indebted to the Postal Service for unearned annual or advanced sick leave, you must refund the amount paid for the unearned leave. If you do not refund the amount of the indebtedness, deductions will be made from any funds paid to you upon your separation and/or the Postal Service may seek to recover the debt.