

Portability Questions and Answers – NAF Employee in CSRS/FERS/TSP Retirement System (APF Portee)

Q1 - How can I confirm I'm eligible to retire on the date I select?

A1 – You may request a FERS retirement estimate at any time. We strongly recommend that you request a retirement estimate five years earlier than your expected retirement date. Requests may include up to 2 retirement dates for comparison purposes. You must visit your local NAF Human Resource office to complete a retirement estimate form. As an APF Portee your estimate request must be processed through the NAF Portability desk so your contributions to the GS retirement system are recorded and forwarded to OPM. In the event you are located in an area not serviced by a NAF Human Resource Office please call our retirement hotline at (901) 874-2278 or email us at mill_cnrc_retirement@navy.mil, and a Retirement Resource Team member will respond to your inquiry.

Here are the general retirement eligibility rules for both Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS):

CSRS	
Age	Years of Service*
62	5
60	20
55	30

FERS	
Age	Years of Service*
62	5
60	20
MRA**	30
MRA***	10

* NAF Service while not contributing to CSRS/FERS will not be included in years of service.

** Minimum Retirement Age (MRA) is the earliest age that an employee is eligible for voluntary retirement without a reduction.

*** Annuity is reduced by 5% for each year the employee is under age 62.

MRA is based on birth year as follows:

Year of Birth	MRA is
Before 1948	55
1948	55 + 2 months
1949	55 + 4 months
1950	55 + 6 months
1951	55 + 8 months
1952	55 + 10 months
1953 - 1964	56
1965	56 + 2 months
1966	56 + 4 months
1967	56 + 6 months
1968	56 + 8 months
1969	56 + 10 months
1970 and after	57

Q2 - Can I continue my health insurance coverage after retirement?

A2 - Yes, if you are covered under the NAF medical Plan at the date of your retirement and you have been in the NAF medical plan for 15 cumulative years FEHB (GS Medical Plan) participation will count toward the 15 year total.

Q3 - What happens to life insurance after retirement?

A3 – You will be covered by the NAF post retired life insurance program if you meet the eligibility criteria:

You must be participating in life insurance at date of your retirement to be eligible for post-retirement life insurance.

1. Partial Coverage

Age 52 and Older

- Minimum of 5 continuous years of participation in the CNIC life insurance plan prior to retirement date.
- Coverage amount will be calculated by taking the current coverage amount times 25%, but not to exceed \$10,000.

Example: Total coverage amount at date of retirement is \$80,000. $\$80,000 \times 25\% = \$20,000$; $\$20,000 > \$10,000 = \$10,000$ (allowable amount of coverage under the CNIC rate)

If the participant would like to keep the remaining \$70,000 of coverage, not covered under the CNIC rate, coverage can be converted to a private policy. Met Life will set the rate for the private policy.

2. Full Coverage

Age 62 to 66

- Minimum of 15 continuous years of participation in the CNIC life insurance plan prior to retirement date.
- Coverage amount will be the full amount at date of retirement. Coverage amount will be reduced by 25% starting at age 66 and continue reducing by reduction amount each year until age 68.

Example: Total coverage amount at date of retirement is \$80,000. Annual reduction amount:
 $\$80,000 \times 25\% = \$20,000$

- At age 66: $\$80,000 - \$20,000 = \$60,000$
- At age 67: $\$60,000 - \$20,000 = \$40,000$
- At age 68: $\$40,000 - \$20,000 = \$20,000$

If the employee's age is 66 or older at date of retirement, the total retirement coverage will start at the associated reduction level.

Q4 - Is there a Social Security Off-Set for APF Portees?

A4 - No, there is no Social Security offset under either FERS or CSRS retirement plan.

Q5 - What happens to unused sick-leave?

A5 - Unused sick leave will be added to your credited time if covered under FERS or CSRS.

Q6 - Is unused annual leave paid-off?

A6 - Yes, the monetary value of your remaining annual leave balance will be paid to you in a single payment through NAF payroll.

Q7 - Will someone provide an official calculation of all benefits to be received at retirement?

A7 - Yes, OPM will provide you a statement of your FERS/CSRS payments. The Thrift Savings Plan (TSP) will provide you a statement and options for your TSP account. NAF Human Resources will explain your post retired life and medical coverage.

Q8 - Who coordinates with TSP office?

A8 - You will need to communicate with TSP once you retire. The NAF Human Resource office will provide TSP the appropriate termination documents.

Q9- How is survivor benefits elected?

A9 – Survivor benefits are selected on the retirement application for FERS/CSRS. To elect a beneficiary for TSP, complete Form TSP-3, Designation of Beneficiary; this can be retrieved by downloading from the TSP website or by contact the Retirement Resource Team.

Q10 - Who submits a retirement application to FERS/CSRS?

A10- You will submit the application to the NAF Human Resource Office. The NAF Portability Specialist will then complete the service history, which includes your NAF time contributing to FERS/CSRS, and send your retirement packet to OPM.

Q11 - How do I withdraw money from my TSP account after separation/retirement, and how long does it take to receive a withdrawal from TSP?

A11 – When you leave Federal service, you have a number of withdrawal options:

- A Partial Withdrawal: You may make a one-time, single payment, partial withdrawal, but only if you had not previously made an aged base withdrawal while employed. To make a partial withdrawal from your account and leave the remaining balance in TSP until a later date, visit the TSP website or complete Form TSP-77, Request for Partial Withdrawal When Separated. A partial withdrawal can be made of \$1,000 or more.
- A Full Withdrawal: There are three options to a full withdrawal from your TSP account.
 - A single payment – withdraw your entire TSP account balance in a single payment.
 - Monthly payments – withdraw a series of equal monthly payments from TSP account until completely paid out.
 - Life annuity – withdraw your TSP account in monthly payments to you for life. TSP will purchase an annuity for you from the TSP's annuity provider for a minimum amount of \$3,500.
 - Mixed withdrawal – withdraw your entire account balance through a combination of any two, or all three full withdrawal options.

TSP record keeper disburses withdrawals each business day. You can check the TSP website or call the Thrift Line (1-877-968-3778) to find out the status of your withdrawal. TSP will also notify you in writing when your payment has been disbursed. You should allow several weeks between the time that a withdrawal request is submitted to the time the payment is sent from TSP.

When you leave Federal service, a withdrawal cannot be processed from your account if you have a TSP loan and it has not been closed. Your loan must be closed within 90 days of the date when the NAF Portability Specialist reports your separation to the TSP. You will be sent a notice with instructions from the TSP. In general, there are three procedures available to repay a TSP loan:

- Repay your loan in full;
- Partially repay your loan, and receive a taxable distribution on the remaining outstanding balance; or
- Receive a taxable distribution of the entire outstanding balance.

Your TSP account is a portable retirement benefit. This means that when you make a full or partial withdrawal of your account after you leave service, you can have TSP transfer part of all of your single payment to an IRA or eligible employer plan.

Q12 - When does an APF Portee retiree have to sign-up for Medicare?

A12 - When covered by post retired medical, an APF Portee must sign up for Medicare Part A and B when they reach Medicare eligible age, normally age 65.

Q13 - How are COLAs determined and when are COLAs applied?

A13 - The amount of a COLA is determined by the percent change in the base quarter price index from the previous year to the year in which the COLA is to become effective, adjusted to the nearest 1/10 of 1 percent. COLAs are effective in December of each year.

Q14 - Are payments made through direct deposit?

A14 - Yes

Q15 - How can I determine the amount of Federal Withholding Tax?

A15 - You may desire to reference the IRS at this link <http://www.irs.gov/Individuals/IRS-Withholding-Calculator> and/or visit the TSP website for detailed information about the tax rules, under TSP notice "Important Tax Information About Payments From Your TSP Account."

Q16 - When do benefits end?

A16 - Benefits end upon your death or the death of your spouse in the event you died first and you selected a survivor benefit option.

Q17 - Will someone knowledgeable about the APF Portee system be available to help process all the correct applications and forms at the appropriate time?

A17 - Yes, the NAF Portability Specialist will be available to assist.