

Retirement updates



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This month's retirement column features updates on legislation, resources and benefits.

Postal Service Health Benefits

The NALC Retirement Department has received numerous calls asking about the Postal Service Health Benefits (PSHB) Program, which is a new program within the Federal Employees Health Benefits (FEHB) Program. The Office of Personnel Management (OPM), which administers the FEHB and the PSHB programs, has posted frequently asked questions on its website under the "Insurance" section, which many may find useful. The Postal

Service also has started providing information on LiteBlue about the PSHB. The important thing to understand is that no one is going to get kicked off their health insurance benefits because of the transition to the PSHB.

Annuitants who are, as of Jan. 1, 2025, not currently participating in Medicare Part B are not required to enroll in Part B to continue health insurance coverage in the new PSHB program. Annuitants who are, as of Jan. 1, 2025, already enrolled in Part B are required to remain enrolled in Part B to continue coverage under the PSHB.

Annuitants who are entitled to Medicare Part A prior to Jan. 1, 2024, and have not enrolled in Medicare Part B, may be able to participate in the special enrollment period for Medicare Part B that will start on April 1, 2024. Those who enroll during the special enrollment period will not need to pay the late enrollment penalty. Eligibility letters will be sent to annuitants and eligible family members in early 2024.

Specific PSHB plan options and premium information will be available in October 2024.

OPM Retirement Quick Guide

OPM has released a quick and easy three-page guide geared toward those applying for retirement. This convenient guide provides an overview of the application process with estimated time frames for each step. OPM has stated that it will update this guide monthly based on the current time frames to keep applicants informed of any potential delays. The quick guide can be found by going to opm.gov and navigating to the retirement section.

Retiree cost-of-living adjustments

The 2024 cost-of-living adjustments (COLAs) for Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) benefits are based on the increase in the average CPI-W between the third quarter of 2022 and the third quarter of 2023. Based on the April 2023 CPI-W, the 2024 CSRS and FERS COLAs are currently projected to be 2.0 percent. This is just a projection and is subject to change. The retiree COLA calculation will be finalized in October 2023 after the CPI-W from the previous month is released.

CSRS annuities receive full COLAs; COLAs for FERS annuities are payable for retirees 62 and older and may be reduced by up to 1 percentage point from the increase in the CPI.

Annual leave carryover

The NALC and the United States Postal Service have agreed to a memorandum of understanding (M-01993 in NALC's Materials Reference System) extending the annual leave carryover limit. Regular workforce career employees covered by the USPS-NALC National Agreement may carry over 520 hours of accumulated annual leave from leave year 2023 to leave year 2024. This MOU will expire on Dec. 31, 2024.

Social Security Fairness Act (S. 597 and H.R. 82)

Sens. Sherrod Brown (D-OH) and Susan Collins (R-ME) reintroduced the bipartisan Social Security Fairness Act (S. 597) in the Senate on March 1. This bill is up to 44 co-sponsors so far.

The bill, which is identical to legislation introduced in the House (H.R. 82) in January by Reps. Garret Graves (R-LA) and Abigail Spanberger (D-VA), would repeal the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). The GPO and WEP are parts of Social Security law that unfairly reduce or sometimes eliminate Social Security benefits for millions of federal annuitants, including former CSRS letter carriers. H.R. 82 has 281 co-sponsors at this time.

The WEP reduces earned Social Security benefits for CSRS and FERS employees who also receive a public pension from another job not covered by Social Security. In addition, WEP affects employees who move from a job in which they earn Social Security to a job where they do not earn the Social Security benefit.

GPO affects CSRS employees and spousal benefits of people who work as federal, state or local government employees, if the job is not covered by Social Security. GPO currently reduces by two-thirds the benefit received by surviving spouses who also collect a government pension.