



Retirement delays continue

The Jan. 17 release of the Office of Personnel Management's (OPM) latest "plan" to fix the continuing time delay in processing retirement applications leaves much to be desired. Its "Strategic Plan for Retirement Services" offers an overview of what is involved in the processing of the two retirement systems: the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

OPM's report says the agency has more than 48,000 claims pending. It also reports that it currently takes more than 156 days from the application receipt until the final adjudication of the annuity. It proposes hiring approximately 122 additional employees to help with the process. The projection is that within 18 months, the backlog will be brought down to a "manageable" 13,000 cases on hand and that OPM will be able to adjudicate 90 percent of all the claims within 60 days. OPM also plans to once again implement an automated data system to speed up the process.

Our office is fully aware of the daunting job and effort necessary by those who process and finalize retirement annuities. As such, while we recognize that most operations can run more efficiently, I personally take exception to the report that OPM intends to increase its workers' required productivity from 700 cases per year to 1,100, an increase of more than 57 percent. Some of this productivity gain is supposed to come from a 30 percent reduction of their auxiliary duties.

Even if this works, seeking to increase productivity almost twice the amount of any work reduction appears to be hopeful planning at best. OPM goes on to state its intention of "replacing" those staff members who cannot or will not meet these new productivity requirements. Management arbitrarily comes up with numbers that match its needed goal and replaces anyone who cannot reach those numbers. Sounds like USPS mentality: "The plan isn't working because the workers are not trying hard enough."

The bottom line is that managers at OPM over the past several years have reduced the number of employees below what was necessary to process the growing number of federal retirees. They first blamed the computer

program. Next they blamed the plan. Now they have come up with a new plan, a new computer program and new productivity numbers. They add a new caveat that says we will replace those who cannot produce, thereby admitting that some workers "will not be able or willing" to produce at those levels. It appears that they know this already has caused problems.

To our members who are in the process of retiring or are contemplating retirement, my suggestion remains that you have funds equal to five months' worth of your retirement income projections readily available upon retirement. The annual leave balance that you retire with, which can be up to the maximum carryover of 440 hours, is a great source for these needed funds.

Most of our retirees will receive their "interim" or temporary payments within six weeks of their actual retirement date. For CSRS retirees, this will represent about 85 percent of the anticipated annuity before withholdings. It will currently take five months to finalize the correct entitlement, and then you will receive the balance of your full annuity retroactive to your retirement date.

FERS retirees will receive only about 85 percent of their anticipated FERS annuity without any supplemental annuity included. Since the supplemental annuity can be worth almost as much as the FERS annuity, you will be receiving less than one-half of your final annuities during the five-month finalization. So, it is very important that these retirees have a good cash reserve to draw from until their annuity is finalized and the supplemental is also retroactively included.

These time lines for finalization do not apply to those who have issues relating to marital/divorce issues, active OWCP payments, employment with other federal service agencies or any other issues that require additional verification. If you are currently on the OWCP periodic rolls, when you retire, there is normally an extended period of time for processing. OPM will not provide any annuity until it has received from the Department of Labor notification that such individual is no longer receiving loss of wages benefits. Please call our office (202-662-2877) if this is/will be your situation so that we can assist you. ☒