

# Retirement planning, three months out



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I have previously written about planning for retirement from five years out and one year out. This article will focus on the final three to six months in more detail. If you have read my other *Postal Record* articles in April 2019 and August 2020, respectively, and are in the final stretches, you probably have requested your application (the blue book) and received an annuity estimate. If not, you should do so by calling Human Resources Shared Service Center (HRSSC) at 877-477-3273 (TTY 866-260-7507).

At this point, you should have carefully reviewed, and now understand, all of your annuity estimate. This includes your special annuity

supplement eligibility and amount (if applicable), deductions for a survivor annuity and, most importantly, the amount of your basic benefit.

**Shortly after receiving your blue book, you should call HRSSC back to schedule your retirement counseling.** The next step I recommend is to make a spare copy of your application before you fill it out, so that if you make an error or need to change information, you can use another copy and start again.

Most people are not used to completing multiple pages of forms, and it is easy to be nervous about making such a life-changing transition. I recommend that, prior to counseling, you complete as much of the application as you can. Simply skip any sections you don't understand and jot down your questions. During your counseling, you can ask questions and complete your form with confidence.

As detailed in the November 2020 Contract Talk column, employees are entitled to individual retirement counseling. The general practice from HRSSC is to conduct group-counseling sessions. This works for many letter carriers, but some need an individual session because they have numerous questions, or because the questions include private details they would rather not share with strangers. If you need or want an individual session, be sure to request it and provide sufficient time prior to your intended retirement date to fit it in.

**To understand your complete retirement picture, you also need to review and understand the other two legs of your retirement, the Thrift Savings Plan (TSP) and your Social Security benefit.**

Whether or not you plan to tap into your TSP immediately, you will want to review your withdrawal options and learn

how to obtain the appropriate forms. One TSP publication that will help provide guidance is *Withdrawing from Your TSP Account for Separated and Beneficiary Participants (TSPBK02)*. I would be remiss if I didn't mention my previous article regarding snake oil salesmen (March 2020). Before making decisions to move your funds from the TSP to another company, you should be fully aware of your decision and ensure that your financial interest is the priority.

If you haven't already, you can create a Social Security account online at [ssa.gov/onlineservices](https://ssa.gov/onlineservices). This portal allows you to see your earned benefits, review your earnings history, make address changes, set up or change direct deposit, and print 1099s. As mentioned earlier, you'll want to review your Social Security benefits and determine how, and possibly when, you will start your benefit.

**If you haven't narrowed your retirement down to a particular day, there are some considerations.** If you separate at the end of a pay period, you will earn your sick and annual leave for that period. Employees whose separation is effective before the last Friday of a pay period do not receive leave credit or terminal leave payment for the leave that would have accrued during that pay period. Another way to maximize your benefit is by taking advantage of the terminal leave payout. When the Postal Service calculates the terminal leave payment, it projects the leave from the separation date forward, and any holidays that fall within the terminal leave period also are paid.

The most important factor when deciding which day to retire involves when you start earning an annuity. FERS employees start earning their annuity on the first day of the month following their separation. In practice, the vast majority retire at the end of the month and don't sweat the small considerations like finishing a pay period or projecting holidays with the terminal leave.

**Plan the first few months after retirement. Once you submit your application to the Postal Service, it will wait until you separate so that it can finalize your service history and ship the application to the Office of Personnel Management (OPM) for processing.** Although OPM has a goal of starting interim payments as soon as possible, you will receive only a portion of your annuity and may be receiving these interim payments for months. You should plan to have some money saved to make sure you can weather the temporary shortfall. One item that may help here is the terminal leave payment from the Postal Service. When you retire, you'll receive a payment for your earned annual leave balance. But by the same token, if you retire with a negative balance, you will be liable and should plan accordingly.

**The last step is to enjoy your hard-earned retirement!**