

The home stretch



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This article will focus on the final three to six months prior to retirement. If you are in this home stretch and have not done so already, you should call the USPS Human Resources Shared Service Center (HRSSC) at 877-477-3273 (TTY 866-260-7507) and ask to start your online retirement application (ORA) and for them to send you an annuity estimate. You will provide your personal email address to the agent and receive an email from the HRSSC confirming that it is setting up your ORA. In three to five business days, you will get a second email. This time, it will come from the Office of Personnel

Management (OPM). This second email contains a link to start filling out the ORA. While awaiting the second email, you will need to sign up for a login.gov account, unless you already have one.

Shortly after receiving the second email from OPM, you should call HRSSC again to schedule your retirement counseling, or schedule it on LiteBlue. At this point you should have carefully reviewed and understood everything in your annuity estimate, including your special annuity supplement eligibility and amount (if applicable), the reduction for a survivor annuity, and most importantly, the amount of your Federal Employees Retirement System (FERS) basic benefit.

I recommend that prior to counseling you complete as much of the application as you can. Simply skip the sections you do not understand and jot down your questions. During your counseling, you can get answers and complete your application with confidence.

As detailed in the June 2022 Contract Talk, 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 the questions include private details that they'd 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 to fit it in.

In order 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 *Distributions*. I would be remiss if I didn't mention my previous article regarding financial planners (see the October 2023 *Postal Record*). 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. 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 will want to review your Social Security benefits and determine how and possibly when you will start your benefit.

There are some considerations when picking your retirement date. 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 prior to 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 benefits is by taking advantage of the terminal leave payout. When the Postal Service calculates the terminal leave payment, they project your earned annual leave balance out from the date of separation, and any holidays that fall within the terminal leave period are also paid.

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 terminal leave to incorporate holidays.

Plan your income for the first few months after retirement. Once you submit your ORA, the HRSSC reviews it and compiles your service history. Lately, members are reporting that this is happening one month or more after their retirement date has passed! Once it is done, you will receive an email notifying you to certify the ORA. After your certification, the ORA is sent to OPM for processing. Although OPM has a goal to start interim payments as soon as possible, you will only receive a portion of your annuity and may be receiving these "interim" payments for months. Plan to have some money saved so you can weather the temporary shortfall. The terminal leave payment from the Postal Service is also not being paid out right after the retirement date, because of the aforementioned delay in HRSSC's review process. 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!