


# Federal Benefits Update

November 10, 2020

Stacey Warner  
Federal Benefits Manager



1

---

---

---

---

---

---

---

---

## Topics

- Am I a Federal or State Employee?
- Defined Benefit vs Defined Contribution Retirement
- FEHB Open Season
- Federal Long-Term Care Insurance
- Sources of Federal Retirement Income
- Thrift Savings Plan Changes
- Retirement Planning Calendar
- The SECURE Act
- National Association of Active & Retired Federal Employees



2

---

---

---

---

---


---

---

---

## Federal or State Employee?

- State employee with federal benefits
- All K-State employment policies apply **except:**
  - federal retirement
  - federal health and
  - federal life insurance



3

---

---

---

---


---

---

---

---

Defined Benefit Retirement	Defined Contribution Retirement
CSRS & FERS	TSP & Board of Regents
"Controlled" by <b>employer</b>	"Controlled" by <b>employee</b>
No account exists with the employee's name and amount of contributions.	Each employee has an account with employee and employer contributions.
No investment choices to make.	Employee makes investment choices.
Promises a specified monthly income at for life after retirement (and for spouse).	No promise of a specified income – employee determines the stream of income at retirement.
Rare in today's workplace. (A pension)	Common in today's workplace.



---

---

---

---

---

---

---

---

---


---

---

---

### Federal Employee Health Benefit (FEHB)

- Open Season – November 9 to December 14
- No change desired – No action necessary
- Some changes allowed outside Open Season
- Dental and vision available after retirement



---

---

---

---

---

---

---

---

---

---

---

---


### FEHB - BCBS

Three coverage types:

Standard Option

Basic Option

FEP Blue Focus – was new in 2019



---

---

---

---

---

---

---

---

---


---

---

---

### FEHB

	Standard Option	Basic Option	FEP Blue Focus
	Bi-weekly	Bi-weekly	Bi-weekly
Self Only	\$123.45 (+\$6.54)	\$78.60 (+\$2.66)	\$53.14 (No Change)
Self + One	\$280.81 (+\$16.32)	\$189.17 (+\$10.56)	\$114.25 (No Change)
Self & Family	\$300.12 (+\$13.38)	\$201.27 (+\$10.05)	\$125.67 (No Change)



---

---

---

---

---

---

---

---

---

---


### FEHB

Watch for enrollment email from Stacey

Watch for plan info from BCBS

Review the BCBS website

Review <https://www.opm.gov/healthcare-insurance/>



---

---

---

---

---

---

---


---

---

---

### Federal Long-Term Care

- \$85,000 – median cost of a year in a care facility
- Federal Long Term Care is one source of insurance – [www.ltcfeds.com](http://www.ltcfeds.com)
- Can cover in facility care, in home care, adult day care and other resources



---

---

---

---

---

---

---

---

---

---

## Sources of Federal Retirement Income

- CSRS
  - CSRS annuity (up to 80% of pre-retirement income)
  - Thrift Savings Plan – optional, no employer contribution
- FERS
  - FERS annuity – (30 to 40 % of pre-retirement income)
  - Social Security OR FERS Annuity Supplement to age 62
  - Thrift Savings Plan – with employer contribution

10



---

---

---

---

---

---

---

---

## Thrift Savings Plan Changes

- Multiple withdrawals – while employed and after retirement
- More installment payment options – monthly, quarterly, annually
- Online tool rather than paper
- Why – to keep participants in the Thrift Savings Plan

11



---

---

---

---

---

---

---

---

## TSP

TSP withdrawals are exempt from Kansas income tax.

12



---

---

---

---

---

---

---

---

## Planning for Retirement

- Confidentiality
- Meet in person, via Zoom, phone or email
  - 2 to 3 years prior to project income
  - 1 year prior to update income
  - Six weeks prior to sign documents
- Announce retirement
- Retirement date
- Six weeks later – first direct deposit for 60%
- Three months later – retirement processed

13




---

---

---

---

---

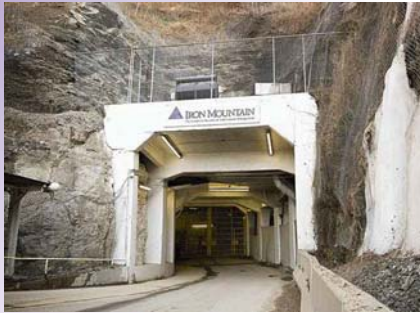
---

---

---

---

---



14




---

---

---

---

---

---

---

---

---

---

## Retirement Claims - OPM

Months	Claims Received	Claims Processed
October 2018 – December 2018	22,304	21,913
January 2019 – March 2019	34,104	31,922
April 2019 – June 2019	23,071	24,771
July 2019 – September 2019	24,334	25,459
October 2019 – December 2019	20,071	20,539
January 2020 – March 2020	32,973	28,617
April 2020 – June 2020	19,943 2	23,775

15




---

---

---

---

---

---

---

---

---

---

## SECURE Act

- Setting Every Community Up for Retirement Enhancement – December 2019
- Applies to everyone – not just those with federal benefits
- Required Minimum Distributions – from 70 ½ to 72
- Non-spouse inherited IRAs must be emptied within ten years
- Impacts naming a trust as a beneficiary
- Consult a tax advisor, attorney or financial planner

  
K-STATE  
Research and Extension

16

---

---

---

---

---


---

---

---

## NARFE

- National Association of Active and Retired Federal Employees
- Local chapters (29 in Kansas)
- Advocate for federal benefits
- Monthly magazine
- Webinars (no cost for members)

  
K-STATE  
Research and Extension

17

---

---

---


---

---

---

---

---



Goal – No Surprises!

18

---

---

---

---

---

---

---

---