



The cover features a teal background with a white star and eagle emblem at the top. The title "Your Federal Retirement Benefits" is written in a white, serif font. At the bottom, there is a teal banner containing the United States Government logo and the text "United States Government" and "Employees and Annuitants Division".

United States  
Government

Employees and  
Annuitants  
Division

## YOUR FEDERAL RETIREMENT BENEFITS

Dear JOHN R DOE

This *personalized* booklet describes your monthly benefits, and provides other essential information. Review it carefully and keep it with your important papers and documents

Federal employees play a valuable role in our country's workforce. We care for national parks, conduct research on treating and curing disease, and perform the important work of the American government. Our country needs and depends on us. Your years in the Federal Government have been significant in helping our nation grow and prosper. During your service in the Federal workforce, you have earned and accrued certain retirement benefits. Now that you have stepped away from active Federal employment, it is time to receive and enjoy these benefits.

The Office of Personnel Management (OPM) can help you make the transition to retirement. We are here to answer your questions and explain your retirement benefits in detail. Call us toll-free at 1-888-767-6738 (Retirees in the Washington, DC area should call 202-606-0500).

Our best wishes on a happy and healthy retirement. OPM looks forward to serving you in the years ahead.

Joseph E. Donald, Jr.  
Assistant Director  
Retirement Services Program  
Office of Personnel Management

## PERSONAL STATISTICS

This Explanation of Benefits was prepared  
as of July 01, 2002

|   |  |
|---|--|
| Name:                                   | JOHN R DOE   |
| Civil Service Annuity (CSA) Number: CSA | 4 567 891  |
| Social Security Number:                 | 222-22-2222  |
| Date of Birth:                          | 03/06/1932   |
| Retirement System:                      | CSRS   |
| Beginning Date of Benefits:             | 03/01/2002   |
| Current Correspondence Address:         | JOHN R DOE<br>616 N MAIN ST<br>SMITH TOWN SC 27562 |
| Direct Deposit, Type of Account:        | Checking   |
| Account Number:                         | 012304560789                                       |

The amounts shown in this booklet are based upon employment records on file with us as of July 01, 2002 and your retirement application. If you believe any of this information is incorrect, please contact us at once. See the chapter "How to Contact Us" in this booklet for instructions. Please keep this with your personal records for future reference.

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## YOUR MONTHLY BENEFIT

### Monthly Benefit

|   |                 |
|---|-----------------|
| Your benefits began:                              | March 01, 2002  |
| Date of first regular monthly payment:            | August 01, 2002 |
| Your initial gross monthly retirement benefit is: | \$2,548.00      |

Your retirement benefit is payable on the first business day of each month. Each monthly payment represents benefits for the prior month. (e.g., the August 1, 2002 payment is for the month of July).

## YOUR MONTHLY BENEFIT

### Monthly Additions And Deductions

The net amount of your first regular payment: \$1,996.78

If the net amount ever changes for any reason, we will send you a Notice of Annuity Adjustment explaining the change.

Current Gross Monthly Benefit \$2,548.00

### Less:/Plus:

|                                    |          |
|------------------------------------|----------|
| Health Insurance Premium           | - 205.46 |
| Additional Optional Life Insurance | - 124.39 |
| Family Life Insurance              | - 7.37   |
| Federal Income Tax                 | - 214.00 |

Net Monthly Benefit \$1,996.78

See Retroactive Benefits Explanation for adjustment payment information.

Please note that although your retirement benefit provides for survivor benefits, (see Survivor Benefits chapter), you will not see separate monthly deductions for that coverage. Instead, the cost of the survivor benefit was factored into the computation of your gross monthly benefit shown above.

## YOUR BENEFIT COMPUTATION

Many factors go into the computation of your monthly benefit. The following information summarizes the major components of your benefit computation.

### Type Of Computation

You received the regular retirement computation.

### Average Salary

The "high-3" average salary in your case is: **\$43,233.00**

Your benefit is based, in part, on the highest average salary during any three year period while you were employed. This three year period does not always occur in the last three years of employment. We have ensured that the average salary we computed is the highest average applicable to your salary history.

### Length Of Service

Your benefit is also based, in part, on the amount of Federal service you performed as an employee. Your retirement records showed the following:

|                                     |                     |
|-------------------------------------|---------------------|
| Military service included in total: | 02 Years, 00 Months |
| Sick leave included:                | 1,220 Hours         |
| Total Federal Service:              | 40 Years, 10 Months |

We convert the sick leave hours to years, months, and days. Then we add that amount to your other Federal service. Only years and full months are used in the computation; partial months are not counted.

## SURVIVOR BENEFITS

In the event of your death, your survivors should call our Retirement Information Office at: **(1-888) 767-6738**. Customers within the local **Washington, DC**, calling area must call **(202) 606-0500**.

You elected to provide survivor benefits as follows based upon **the full amount** of your annuity. As noted on your retirement application, you may change your election by filing a new election in writing **not later than 30** days after the date of your first regular monthly payment.

The reduction to provide survivor benefits is made from your basic annual annuity at retirement. There are no separate monthly deductions for providing survivor annuities.

### Surviving Spouse

Name: JANE V  
Social Security Number: 444-44-4444  
Date of Birth: 12/03/1934

Current Gross Monthly Survivor Annuity: \$1,543.00

### Surviving Children

Any dependent, unmarried children under age 18 (or disabled children over 18 if disabled prior to age 18, or full-time students under age 22) could be eligible for a survivor annuity.

Cost-of-living increases to your annuity will increase the value of your survivor benefits.

## HEALTH INSURANCE BENEFITS

Your Federal Employees Health Benefits coverage is described below:

Your plan name: BLUE CROSS BLUE SHIELD  
Self-And-Family

Enrollment code: 105

Your cost each month: 205.46

Government share: 484.06

Total cost: 689.52

### Other Information

Self and Family

You are enrolled under a Self and Family plan. You may change to Self Only at any time. However, if you switch to Self Only, you can only change back to Self and Family under special circumstances such as: the birth or adoption of a child, a change in marital status, or an open season. Family members who lose coverage under your plan (i.e., a non-disabled, dependent child who reaches age 22) may qualify for Temporary Continuation of Coverage (TCC) for up to 36 months. Under TCC, the covered individual must pay the full cost of coverage (individual and government share), plus an administrative fee of 2%.

### Medicare

For retirees, Medicare is the primary health benefits provider for most eligible individuals age 65 and over. If you are not currently enrolled in Medicare as your primary provider, you may wish to either contact your local Social Security office or call the toll-free number under "Other Useful Numbers" in the chapter on "How To Contact OPM" to obtain Medicare information.

## HEALTH INSURANCE BENEFITS

### Health Benefits Open Season

Once a year, we hold a Health Benefits Open Season during which you can change plans, or switch from Self Only to Self and Family. We will provide information prior to the beginning of Open Season.

## LIFE INSURANCE BENEFITS

Your life insurance coverage under the Federal Employees' Group Life Insurance Program, is based on your coverage at the time of separation, your final salary, and elections at retirement. You cannot carry any coverage into retirement that you have not had continuously since your earliest opportunity to elect, or for 5 years immediately preceding retirement, whichever is shorter.

**Basic Life Insurance** - Your Basic Life insurance amount at retirement is \$43,000. This is the result of taking your final salary, rounded to the next thousand (if it is not an even thousand), and adding \$2,000.

You elected a 75% reduction schedule for your Basic Life insurance. This means the amount payable on your Basic Life insurance begins to reduce by 2 percent of the original amount per month beginning April, 2002, until it reaches 25% of face value. There is no cost for this coverage.

**Additional Life Insurance (Option B)** - Your Additional Life insurance amount at retirement is \$82,000. This is the result of taking your final salary, rounded to the next thousand (if it is not an even thousand), and multiplying by the number of multiples (2) you carried into retirement.

**Because you elected No Reduction for your Option B coverage**, the amount payable on your Additional Life insurance will not reduce throughout your retirement. Premiums will continue for life, unless you cancel coverage or switch to a Full Reduction schedule. No premiums will be refunded if you change your reduction schedule or cancel your insurance.

**Family Life Insurance (Option C)** - Your Family Life insurance amounts at retirement are \$5,000 of coverage for your spouse and \$2,500 for each eligible child. This is the result of taking the minimum amounts (\$5,000 and \$2,500, respectively), and multiplying by the number of multiples (1) you carried into retirement.

## LIFE INSURANCE BENEFITS

Because you elected **No Reduction for your Option C coverage**, the amount payable on your Family Life Insurance will not reduce throughout your retirement. Premiums will continue for life, unless you cancel coverage or switch to a Full Reduction Schedule. No premiums will be refunded if you change your reduction schedule or cancel your insurance.

Approximately three months before your 65<sup>th</sup> birthday (or shortly after retirement if you are already 65 or older), we will send you a letter reminding you that you can change your Option B and/or Option C reduction election. At that time, if you have more than one multiple, you may elect No Reduction for some multiples and Full Reduction for others.

The monthly costs of Optional coverage for a retiree vary with age, as follows (effective January 1, 2004), and are subject to change in the future:

|          | Option A<br>(10,000) | Option B<br>(per \$1,000) | Option C<br>(per multiple) |
|----------|----------------------|---------------------------|----------------------------|
| Under 35 | \$.65                | \$.065                    | \$.59                      |
| 35 - 39  | \$.87                | \$.087                    | \$.74                      |
| 40 - 44  | \$1.30               | \$.130                    | \$1.00                     |
| 45 - 49  | \$1.95               | \$.195                    | \$1.30                     |
| 50 - 54  | \$3.03               | \$.303                    | \$1.95                     |
| 55 - 59  | \$5.85               | \$.607                    | \$3.14                     |
| 60 - 64  | \$13.00              | \$1.300                   | \$5.63                     |
| 65 - 69  | \$ 0                 | \$1.538*                  | \$6.50*                    |
| 70 - 74  | \$ 0                 | \$2.232*                  | \$7.37*                    |
| 75 - 79  | \$ 0                 | \$3.098*                  | \$9.75*                    |
| 80+      | \$ 0                 | \$3.965*                  | \$13.00*                   |

\* These are the rates for No Reduction. Optional coverage is free as of the month after you turn age 65, or the date of retirement if you are already 65 or older when you retire, unless you elect No Reduction for Option B or Option C.

## LIFE INSURANCE BENEFITS

### Living Benefits

If you become afflicted with a terminal illness (prognosis 9 months or less to live), you may apply for and receive a Living Benefit payment equal to what your Basic life insurance amount will be 9 months after the date the Office of Federal Employees' Group Life Insurance receives your application, reduced by a nominal amount to make up for lost earnings to the Life Insurance Fund. Once you receive a Living Benefit payment and cash or deposit the check, the election is irrevocable. A Living Benefit election has no effect on any Optional coverage held. If you assign your life insurance prior to receiving a Living Benefit, neither you nor the assignee may elect a Living Benefit.

### Assignment

You may assign your life insurance at any time. Assignment means you transfer ownership of your life insurance to someone else, but you continue to be responsible for payment of premiums. An assignment applies to all coverages held (Basic and Options), except Option C, Family, which cannot be assigned. Once you assign your life insurance, you give up the right to designate a beneficiary, or to reduce, cancel or convert your coverage (except for the initial Reduction Schedule election, which you still get to make at retirement). Also, if you assign your life insurance, neither you nor the assignee may then apply for or receive a Living Benefit based on your coverage.

## LIFE INSURANCE BENEFITS

### Other Information

Unless you assign your life insurance, you can cancel all of your coverage, or any one of the Options (A, B or C), or reduce the number of multiples under Additional or Family (Options B or C) at any time. Any cancellation or reduction must be in writing, and is irreversible once in effect. If you cancel Basic, any Optional coverage you have is also canceled. You cannot increase your coverage after retirement, or reinstate any coverage previously canceled. If you elected 50% Reduction or No Reduction, you can change to 75% Reduction, but not the other way around (you also cannot switch from No Reduction to 50% Reduction, or the other way around). Also, the Accidental Death and Dismemberment coverage you had automatically as an employee ended at retirement.

## CONTRIBUTIONS AND TAX INFORMATION

### Your Retirement Contributions

The amount of retirement contributions to your credit is \$63,428.00.

If the total amount of retirement benefits paid to you (and any survivors eligible for monthly benefits) is less than the amount of your retirement contributions plus any applicable interest, the difference will be paid to your survivors or estate as a lump sum. Once you (and any survivors receiving monthly benefits) receive gross monthly benefits that exceed your contributions, there are no more contributions in your account, and no lump sum payment is made. You continue, however, to receive your monthly annuity even when your benefits paid exceed your contributions.

Recovering an amount equal to your retirement contributions for tax purposes is treated differently, and is discussed on the following page.

## CONTRIBUTIONS AND TAX INFORMATION

### Federal Income Tax

Your retirement benefit is subject to Federal income tax.

Because you already paid Federal income tax on your retirement contributions, you are entitled to receive an amount equal to those contributions as tax-free income. Under the IRS Simplified General Rule, a portion of each monthly payment is tax-free, and represents the recovery of your previously taxed contributions. The remaining portion of each monthly payment is fully taxable. You continue to claim this tax-free amount until the total tax-free amounts claimed equal your retirement contributions. At that time, all of your benefit becomes taxable.

Under the Simplified General Rule, \$243.95 of each monthly payment is tax-free. You can claim this monthly tax-free amount until the total tax-free benefit claimed equals your retirement contributions.

### Federal Income Tax Withholding

Your retirement benefit is subject to Federal income tax withholding.

We are withholding Federal income tax at the rate applicable to a married individual claiming 1 withholding allowances. This withholding rate results in a monthly deduction of \$214.00.

You can start, stop, or change your Federal income tax withholding at any time by calling our automated telephone system. See chapter on "How To Contact OPM" for detailed instructions.

## CONTRIBUTIONS AND TAX INFORMATION

### Useful IRS Publications

You may find the following IRS Federal income tax publication useful in answering your Federal tax questions:

|                     |   |
|---------------------|---|
| IRS Publication 721 | Tax Guide to U.S. Civil Service Retirement Benefits |
|---------------------|---|

To ask for this and other publications, you can call the IRS at 1-800-829-3676.

### State Income Tax

We cannot provide specific information on the tax treatment of your retirement benefits for state tax purposes. You should contact your state tax office for further assistance.

## RETROACTIVE BENEFITS EXPLANATION

### Adjustment Payment Information

You are due a net retroactive payment of \$1,659.99.

That amount represents the difference between the interim payments already made to you, and the full amount you were due. The following explains the computation of this adjustment payment.

Gross Benefits due from 03/01/2002 through 06/30/2002: \$10,192.00

#### Less:/Plus:

|                                    |              |
|------------------------------------|--------------|
| Health Insurance Premiums          | - \$821.84   |
| Gross Interim Pay                  | - \$6,432.00 |
| Additional Optional Life Insurance | - \$497.56   |
| Family Life Insurance              | - \$28.61    |
| Federal Income Tax                 | - \$752.00   |

Net adjustment due you \$1,659.99

A direct deposit payment in that amount has been sent to your financial institution.

## HOW TO CONTACT OPM

### Calling About Your Retirement

You may call our Retirement Information Office at:

1-88 US OPM RET  
(1-888-767-6738) or  
1-800-878-5707 (TDD)\*

Customers within the local Washington, DC, calling area must call:  
202-606-0500

We are committed to providing you with the best customer service possible. When you call us at the number shown above, you will be greeted by an automatic answering system which will guide you through a menu listing the topics our customers call about most frequently.

\* Telecommunications Device for the Deaf

### Using The Automated System

To use this system's automated features, you will need your retirement claim number and your personal identification number. Although the automated system is available to you, you have the option of talking to a Customer Service Specialist.

If you call on a rotary telephone, you will not be able to use the automated features. However, you can stay on the line, and your call will be sent to a Customer Service Specialist.

The automated system is available seven days a week. Customer Service Specialists are available from 7:30 am to 7:45 pm Eastern time, Monday through Friday. They are not available on Federal holidays.

## HOW TO CONTACT OPM

### What You Can Do By Telephone

Almost all of the business you will ever need to conduct with us should be done over the telephone. Below is a sample of the many things that can easily be processed based on your call:

- \* Report a lost or missing payment.
- \* Sign up for direct deposit, or change your address.
- \* Start, stop, or change your Federal income tax withholding.
- \* Start, stop, or change your state tax withholding.
- \* Sign up for or change a U.S. Savings bond allotment.
- \* Make a health benefits open season change.

We continue to add features to our automated system to make it easier for you to take actions for yourself instead of having to wait for us to act. If you need to contact us, call first; in most cases, the telephone call will be all we need.

### Contacting Us On The Internet

Our Internet address is: <http://www.opm.gov/retire/>

We provide retirement information and assistance on the Internet. You will find retirement brochures, forms, and other information at this site.

You can also make changes to your payments through our web site. To do so, you will need a Personal Identification Number which we will send shortly.

## HOW TO CONTACT OPM

### Contacting Us In Writing

We are arranging to handle more and more retirement business based on telephone calls from our customers. This is because there are many things you can do for yourself without assistance. More importantly, most of the business you will ever need to conduct with us can be done by telephone without the need to write.

If you need to write, our mailing address for general correspondence is:

U.S. Office of Personnel Management  
Retirement Operations Center  
Post Office Box 45  
Boyers, PA 16017-0045

### Visiting Us In Person

You are also welcome to visit us in person. Our Retirement Information Office is located at:

U.S. Office of Personnel Management  
Central Retirement Information Office  
Room 1323  
1900 E Street NW  
Washington, DC 20415

You will need to bring some form of identification to enter the building.

## HOW TO CONTACT OPM

### Other Useful Telephone Numbers

In addition to contacting OPM, you may also need to contact the following Federal agencies and programs:

|   |   |
|---|---|
| Thrift Savings Plan:  | (504) 255-8777 (Thrift line)<br>(504) 255-6000 (Information)<br>(504) 255-5113 (TDD)  |
| Social Security Administration:   | 1-(800) 772-1213<br>1-(800) 325-0778 (TDD)  |
| Centers for Medicare and Medicaid Services (formerly HCFA):   | 1-(800) 633-4227 (MEDICAR)  |
| Internal Revenue Service:   | 1-(800) 829-1040 (General Tax)<br>1-(800) 829-3676 (Publications and Forms)   |
| Federal Long Term Care Insurance Program (FLTCIP)<br><a href="http://www.LTCFEDS.com">www.LTCFEDS.com</a> | 1-(800) 582-3337<br>1-(800) 843-3557 (TDD)<br>Call or visit the website to find out if you're eligible to apply for this insurance, or if you have questions about existing coverage. |

## COST OF LIVING, ADJUSTMENTS AND NOTICES

### COLA Increases

We will periodically increase your annuity based on Cost of Living Adjustments (COLA's) provided by law. Shortly before you receive your new payment amount, we will send you a Notice of Annuity Adjustment showing the payment change.

The first COLA you receive will be prorated based on how many months you were retired during the period covered by the COLA. If you receive a prorated COLA, we will tell you at that time what portion you received. You will then be eligible for the full amount of any subsequent COLA.

### Future Check Adjustments

Your health insurance premium can change each year, effective January 1. Any change in premiums will appear in your February 1 payment, which represents your annuity and insurance premium deduction for the month of January.

If your spouse dies before you do, we will recompute your annuity to eliminate the reduction we made to provide for the survivor benefit. You should contact us if this is necessary.

As your various monthly deductions change for any reason, we will send you a Notice of Annuity Adjustment explaining the change.

### Other OPM Notices

Each October, we will send you information about the upcoming Health Insurance Open Season (see Health Benefits chapter). That material will explain what kind of changes you can make in your coverage, what your new premiums will be, and if you do make a change in coverage, we will send you a confirmation that the change has been made.

## COST OF LIVING, ADJUSTMENTS AND NOTICES

By the end of each January, we will send you a form 1099R, Statement of Annuity Paid. This statement will report how much you received from OPM, any Federal and state taxes withheld, and should be used to file your tax return(s). If you do not receive the statement, please call our Retirement Information Office at **1-888-767-6738**. Customers within the Washington, DC, calling area must call **(202) 606-0500**.

Each time you update your address (either your direct deposit information, or your correspondence address), we will send you a confirmation of that change and let you know which will be the first payment to go to the new address, if applicable.

We have recently sent you an Identification Card, to keep as a permanent record of your retirement claim number.

## PAMPHLETS AVAILABLE

These are some pamphlets and forms available by calling OPM:

|           |  |
|-----------|--|
| RI 38-126 | Life Events And Your Retirement And Insurance Benefits |
| RI 84-1   | Court Ordered Benefits For Former Spouses              |
| RI 20-59  | Information For Annuitants                             |
| RI 25-26  | Information For Survivor Annuitants                    |
| RI 25-27  | Survivor Benefits For Children                         |
| SF 2808   | Designation Of Beneficiary - CSRS                      |
| RI 70-9   | FEHB Enrollment Guide - CSRS & FERS Annuitants         |
| RI 79-2   | FEHB Information For Retirees and Survivor Annuitants  |
| RI 79-27  | Temporary Continuation of Coverage Under FEHB          |
| FE6       | FEGLI Claim For Death Benefits                         |
| RI 76-10  | Assignment Of Life Insurance                           |
| RI 76-12  | Information For Retirees About FEGLI                   |
| RI 76-14  | Cancellation Of Family Optional Life Insurance         |
| SF 2823   | Designation Of Beneficiary - OFEGLI                    |
| FE6 DEP   | Statement Of Claim - Option C - Family Life Insurance  |

## **KEEPING YOUR ADDRESS UPDATED**

JOHN R DOE  
616 N MAIN ST  
SMITHTOWN SC 27562

It is very important that you keep your correspondence address up-to-date. We will be sending a wide variety of important information to you, and it is important that you let us know each time your correspondence address changes.

Although your payments will be sent by direct deposit to your financial institution, we will send all other material to you at the address shown above.

Providing your new address to us is easy. Just call our Retirement Information Office at 1-888-767-6738 (202-606-0500, Washington, DC area). We will be happy to take the information over the phone.

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SMITHTOWN SC 27562