



*A New Day for the Civil Service*

# Benefits Officers Network Meeting


September 2015



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# Financial Literacy BAL

September 2015

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# Agency Financial Education and Literacy plans 2015

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Benefits Administration Letter (BAL) 07-102 provided guidance to agencies for developing a retirement financial education plan for employees.

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# Why Do Agencies Need to Submit Plans

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The Thrift Savings Plan Open Elections Act of 2004 (Public Law 108-469) required the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for Federal employees as part of the retirement training offered by OPM under 5 U.S.C. 8350.



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# Analysis of Agency Financial Education and Literacy plans 2015

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- BOTDG received 40 Financial Education plans from Federal agencies for 2015.
- Each plan was reviewed and the data analyzed to identify trends.

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# Analysis of Agency Financial Education and Literacy plans 2015

- BAL 07-102 explains the information agencies should include in their Financial Education plans.
- Reporting requirements have been very general to allow maximum flexibility for agencies.
- Although this approach works well for developing a financial plan, it creates real challenges for analysis.
- A possible solution would be for agencies to submit, along with their plan, a “Summary Financial Education Plan Data Elements” sheet.



# Example


## Delivery

Yes

No

- Pre Retirement counseling.....
- Pre Retirement Seminars.....
- 1 on1 counseling (upon request).....
- Benefits Fairs.....
- Lunch and Learn.....
- Targeted Communications.....
- Email Blasts.....
- Web based communications.....
- Posters/Flyers.....
- Pamphlets.....
- Online calculators.....
- Work with Labor organizations and Unions.....
- Specific Training for Benefits Personnel.....

**Other delivery methods:**

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# Areas That Can Increase Awareness, Quality of Services, and Participation

- 32.5% of agencies mentioned specific training for HR Specialists
- Only 7.5% of agencies specifically mentioned working with Labor organizations, (unions), or employee groups such as:
  - Blacks in Government (BIG)
  - Gay Lesbian or Bisexual Employees (GLOBE)
- 15% of agencies report that they require refresher training for agency benefits practitioners





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# Belated Military Deposit BAL

September 2015

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# Background

- Benefits Administration Letter (BAL) 13-103, was developed to remind agencies of the fact that, generally, military deposits must be paid before separation as per title 5, Code of Federal Regulations, Section 831.2104.
- However, subpart (a) of this section also makes it clear that if an administrative error on the part of the agency exists, the individual will have the opportunity to make or complete the military deposit after separation.

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# What This BAL Does

- Defines what constitutes an administrative error
- Notifies Human Resource Specialists of the procedures that must be followed by a former employee, if the former employee believes an administrative error occurred and prevented them from being able to make or complete a military deposit before separation from Federal civilian employment.
- Provides links to, and an analysis of several decisions that have impacted the treatment of military deposits.

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# What this BAL Does Not Do

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- Change any existing law or regulation
- Change any documentation necessary to determine the creditability of military service
- Provide any agency an ability to grant a waiver of the necessity to complete military deposits prior to separation



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# Employee Responsibilities

- Seek counseling about the post-56 military deposit requirement
- Assemble the pertinent supporting documentation of the potentially creditable active, honorable, military service
- Actual or estimated military earnings for a given period of service from the military, (although it is usually the employing agency that obtains this information)
- It is the employee's responsibility to ensure that his/her military deposit is paid in full by the final separation date.

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# Agency Responsibilities

- The agency may assist in obtaining the actual or estimated earnings, (though not obligated)
- The agency must have in place a system to counsel, calculate, collect, and post payments related to a deposit for military service.
- If requested by the employee, the agency's counseling must be accurate and complete, including ensuring the creditability of the military service involved.

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# Agency Responsibilities

- For deposits involving the special USERRA calculation, the agency must calculate the version of the deposit based on the civilian employment rates of pay/retirement contribution in comparison with the calculation using military earnings.
- Advise employees that not having enough time to complete a military deposit based upon a voluntary separation does not constitute an administrative error and the employee may want to consider selecting a different retirement date.

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# Requesting Admin Error Finding

- If an employee who did not complete payment of the military deposit, believes the failure to pay was caused by an employer's administrative error, the employee/retiree may request a finding of administrative error.
- Under no circumstances should the retirement package be delayed while awaiting an OPM decision
- The employee may submit the request with the retirement package.



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# Requesting Admin Error Finding

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A separated employee may submit a request directly to OPM. In these cases, the employee should be instructed to wait until the OPM claim number is received so that it can be included in the request.

The request should be sent to:

OPM Retirement Operations Center

P.O. Box 45

Boyers, PA 16017-0045

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# OPM Actions

- Only OPM can make a finding of Administrative error
- OPM/Retirement Operations will carefully evaluate an allegation of administrative error
- There are two potential actions the Legal Administrative Specialist could take:
  - Belated Deposit Approved
  - Belated Deposit Denied

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# OPM Actions

- If a belated deposit is approved, OPM will notify the employee/applicant for retirement of the specific time period granted to exercise the belated deposit option, and for the agency to complete its actions.
- OPM will also send a letter to the last employing agency.
- If a belated deposit is denied, the employee/applicant must be given an initial OPM decision, with reconsideration rights, and
- A copy of the denial will be forwarded to the Benefits Officer at the last employing agency.

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# Payroll Actions

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- Any belated deposit must be administered by that agency's payroll provider.
- Military deposits must be paid in full and submitted on or before the time limit OPM defines in their formal letter allowing the belated deposit.





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# Part-Time Reemployment of Annuitants Without Salary Offset

September 2015

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# Section 1122 of NDAA FY 2010

- Section 1122 of the NDAA for Fiscal Year 2010 allowed reemployment of annuitants in Executive (except DoD and GAO), Judicial and Legislative branch agencies on a limited basis without offset of salary for annuity effective October 28, 2009
- Amended 5 U.S.C. § 8344(l) and 5 U.S.C. § 8468(i) to provide for part-time reemployment without salary offset through October 27, 2014

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# Section 1107 of NDAA FY 2015

- Section 1107 of the Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015 extended this authority through December 31, 2019
- Amends 5 U.S.C. § 8344(l)(7) and 5 U.S.C. § 8468(i)(7) to extend through December 31, 2019
- Memorandum sent to heads of Executive Departments and Agencies on July 10, 2015

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# Use of Authority

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- May be used when head of an agency determines use is necessary to:
  - Fulfill mission critical positions;
  - Assist in implementation or oversight of American Recovery and Reinvestment Act of 2009 or Emergency Economic Stabilization Act;
  - Assist in development, management or oversight of agency procurement;
  - Assist the agency IG in performance of their mission;



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# Use of Authority

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- Promote appropriate training or mentoring programs of employees;
- Assist in the recruitment or retention of employees; or
- Respond to an emergency involving direct threat to life, property or other unusual circumstances

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# Reemployment Provisions

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- Appointments limited to 1 year or less;
- Hours worked by reemployed annuitants under these provisions are limited to:
  - 520 hours during the first 6 months of retirement;
  - 1,040 hours during any 12 month period;
  - 3,120 total hours;
  - Plus 520 additional hours for mentoring

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# Reemployment Provisions

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- Agencies cannot exceed the time restrictions set by Section 1122
- Annuitants reemployed under this provision limited to 2.5 percent of the full-time work force at any time
- OPM reporting requirements suspended, still must report to Congress if agency exceeds the percentage cap

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# Status of Reemployed Annuitant While Dual Comp Waiver in Effect

- Not considered an employee for purposes of Chapters 83 and 84
  - Salary will not be offset for annuity
  - May not elect to have retirement deductions withheld from pay (CSRS)
  - Cannot elect FERS coverage
  - FERS deductions do not apply
  - Service cannot be credited toward a supplemental or redetermined annuity



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# Status of Reemployed Annuitant While Dual Comp Waiver in Effect

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- Cannot participate in TSP
- Covered by FICA Only

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# FEGLI While Waiver in Effect

- May reacquire life insurance the same as any reemployed annuitant
- In the event of a death in service, benefits are payable the same as any reemployed annuitant who dies in service; **HOWEVER,**
- Upon separation, they are not eligible to continue the reemployment acquired coverage

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# FEHB While Waiver in Effect

- If reemployment is not excluded from FEHB coverage, then the individual is eligible for premium conversion
  - Agency should transfer-in the FEHB enrollment
- If the individual subsequently waives premium conversion
  - Notify OPM to transfer-in the enrollment

# Questions?

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