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Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

OPM Mission Statement

Our mission is to ensure the Federal Government has an effective civilian workforce

CRIS Mission Statement

We are responsible for developing and providing Federal retirees and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer

Civil **S**ervice **R**etirement **S**ystem (CSRS)

- Defined benefit annuity plan covering most Federal employees between 1920 and 1983. Voluntary contributions to purchase additional annuity or as investment returned in lump sum at retirement. No contribution or credit toward Social Security benefits
- Eligible employees automatically covered—no election necessary
- Most employees contribute 7% of salary. Agency matches contributions

Civil **S**ervice **R**etirement **S**ystem (CSRS)

- Benefits
  - Regular annuity as early as age 55
  - Deferred annuity at age 62 if vested
  - Disability annuity at any age with 5 years of service
  - Involuntary or early voluntary retirement with age and/or service
  - Annuity death benefits for spouse(s) and children
  - Lump sum death benefits
  - Refund of employee contributions

Civil **S**ervice **R**etirement **S**ystem (CSRS)

- Benefits based on length of service and “high-3” average salary
- Disability benefits offer guaranteed minimum
- Spouse annuity death benefits 55% of retiree benefit, unless lesser benefit elected at retirement
- Annuity fully inflation-indexed with annual COLA
- Currently paying about 2.4 million retirees and survivors
- 580,000 Federal employees covered by CSRS

For more information: www.opm.gov/retire

Federal **E**mployee **R**etirement **S**ystem (FERS)

- Defined benefit annuity plan covering most Federal employees since 1984. Benefits portable; employees also contribute to social security and participate in the 401(k) Thrift Savings Plan
- Eligible employees automatically covered—no election necessary
- Most employees contribute .8% of salary. Agency contributes 11.2% for most employees
- Currently paying about 275,000 retirees and survivors
- 2,066,000 Federal employees covered by FERS

Federal **E**mployee **R**etirement **S**ystem (FERS)

- Benefits
  - Regular annuity at Minimum Retirement Age (MRA)—55 if born before 1948, increasing to 57 if born after 1970
  - Reduced deferred annuity at MRA plus 10 years of service
  - Disability annuity at any age with 18 months of service
  - Involuntary retirement with age and service
  - Annuity death benefits for spouse(s) and children
  - Lump sum death benefit to spouse of employee with 18 months service
  - Refund of employee contributions

For more information: www.opm.gov/retire

Federal **E**mployees **H**ealth **B**enefits (FEHB)

- Group health insurance available to eligible employees, retirees, and their families since 1960. Over 200 plans that include fee-for-service and health maintenance plans with comprehensive coverage and higher premiums and consumer-driven and high deductible plans with higher deductibles, health savings/reimbursable accounts and lower premiums

Federal **E**mployees **H**ealth **B**enefits (FEHB)

- All plans meeting basic requirements may participate in FEHB
- Covers medical services, pharmaceutics, and medical products with no pre-existing condition or waiting periods
- Eligible employees must elect coverage and can change coverage during the annual open season
- Premium conversion allows employees to pay with pre-tax dollars
- Retirees and survivors receive same coverage at the same premium cost as employees

For more information: www.opm.gov/insure/health

Federal **E**mployees **G**roup **L**ife **I**nsurance (FEGLI)

- Group term life insurance available to employees and retirees since 1954. Includes accidental death and dismemberment provisions for employees

- Eligible employees automatically covered by basic life insurance unless waived; must elect other options of coverage

Federal **E**mployees **G**roup **L**ife **I**nsurance (FEGLI)

- Premium cost for basic insurance shared by employee/retiree and Federal agency—government contributes 1/3 and enrollee pays 2/3. Employee retiree pays full cost of optional insurance
- Benefits
  - Basic insurance value is annual salary rounded up, plus $2000
  - Option A insurance provides $10,000
  - Option B provides one to five multiples of annual salary
  - Option C provides family coverage for spouse and children

For more information: www.opm.gov/insure

Federal **F**lexible **S**pending **A**ccount **P**rogram (FSAFEDS)

- Program permits employees to set aside pre-tax dollars in an account to pay for a variety of dependent care and health care expenses. Not available to retirees
- Governed by Internal Revenue Code (IRC) 125
- Eligible employees must elect coverage during the annual open season
- Employee funded — no government contribution

Federal **F**lexible **S**pending **A**ccount **P**rogram (FSAFEDS)

- Benefits
  - Dependent Care FSA provides account to cover eligible non-medical dependent care expenses for children or adult dependents
  - Health Care FSA provides account to cover eligible health care expenses for employee and family that are not covered by health, dental, or vision insurance
  - Limited Expense Health Care FSA for employees covered by high deductible health plan with health savings account. Provides coverage for dental and vision care expenses
  - 229,000 employees are currently enrolled in FSAFEDS
  - For more information: www.fsafeds.com

Federal **L**ong **T**erm **C**are **I**nsurance **P**rogram (FLTCIP)

- Covers the costs of assistance to perform the activities of daily living, or supervision received because of severe cognitive impairment. Services can be provided in a facility such as a nursing home, or in the participant's home
- Group insurance available to employees, retirees, and qualified family members since 2002

Federal **L**ong **T**erm **C**are **I**nsurance **P**rogram (FLTCIP)

- Eligible employees must elect coverage
- Employee funded—no government contribution
- Premium based on age and benefit options elected
- Largest employee-sponsored program in the U.S.—over 215,000 participants

For more information: www.ltcfeds.com

Federal **E**mployees **D**ental and **V**ision **P**rogram (FEDVIP)

- Group dental and vision insurance coverage available to employees, retirees, and their families since 2007
  - Program offers nationwide, international, and regional plans
  - Eligible employees must elect coverage and can change coverage during the annual open season
  - Premium cost based on plan and enrollee location the annual open season
  - Employee funded—no government contribution

Federal **E**mployee **D**ental and **V**ision Program (FEDVIP)

- Employees pay with pre-tax dollars
- Benefits coordinated with FEHB plan coverage
- Currently, over 720,000 participants

For more information: www.opm.gov/insure/dentalvision

Federal **B**enefits **S**urvey

- Measures current employee and new hire attitudes about Federal benefits with regard to: importance, adequacy, value, competitiveness
- Results of the 2006 FBS were higher than 2004 FBS results
- Ratings increased on average:
  - by 3% on importance
  - by 4% on meeting employee / family needs
  - by 5% on value
  - by 7% on competitiveness

Federal **B**enefits **S**urvey

- Thrift Savings Plan, retirement annuity, retirement health benefits, and employee health benefits consistently receive high rating in all of these dimensions
- Benefits programs less widely used (e.g., child care subsidies, telework) are not rated as highly
- We exceeded targets for retirement benefits for both employees and new hires:
  - 71% of all employees say retirement benefits are competitive, fair value, and important (Target 70%)
  - 71% of new employees say retirement benefits are competitive, fair value, and important (Target 69%)

OPM's Support to Agency Benefits Officers

- Published materials
  - Benefits Administration Letters (BALS)
  - CSRS and FERS Handbooks
  - Retirement Facts
- Training Events
  - Annual training for benefits officers (next event May 2008 on West Coast)
- Benefits Officers Network Meetings
  - Quarterly meetings providing updates for agency headquarters benefits officers

New Initiatives

Retirement Systems Modernization (RSM)

Retirement **S**ystems **M**odernization (RSM)

- OPM's strategic initiative – RSM
  - Automated claims processing assures efficient, consistent, and timely service
  - Annuitants have access to their retirement information not previously available
  - Web-based retirement planning tools available to federal employees
  - Improved self-service tools and automation allow benefits counselors and OPM specialists more time to focus on complex claims
  - Customer service and benefits counselors will have secure access to systems-enhanced retirement and post-retirement counseling

Retirement **S**ystems **M**odernization (RSM)

- RSM Status
  - Training retirement claims staff on new customer service and technology skills – October 2007 to December 2007
  - “Go-live” February 2008-- first wave of employees and annuitants will view their information online through self-service tool, Your Benefits Resource (YBR)
  - By February 2009, all Federal employees will use YBR
  - Transformation from paper to electronic record keeping on-going during this period

OPM Website

www.opm.gov

- Links to benefits publications
- Federal Ballpark Estimator
- Information on Retirement Readiness – OPM's retirement financial strategy

- For more information: www.opm.gov/benefits