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BENEFACTS NEWSLETTER

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Retiring in 2024? Consider Using the OPM Quick Guide

Last year, OPM released the **OPM Quick Guide** to assist Federal retirement applicants navigate the retirement process. The Quick Guide helps applicants manage expectations by providing a timeline of what to expect during the retirement process as well as what documents are needed to successfully sail through the process.

The Guide explains a 5-stage process and the steps the applicant may take at each step:

- **Retirement Date**
- **Agency and Payroll Processing**
- **OPM Intake**
- **OPM Processing**
- **Retirement Payments**

The Quick Guide also consolidates retirement-related information so that the retirement applicant has a reference:

- **Understanding the claims process**
- **Time frames from date of separation to retirement adjudication**
- **Recommendations of things to do before retirement**
- **Benefit choices at retirement**
- **Factors that can delay the retirement process**
- **Helpful resources**
- **What occurs when your retirement is finalized**
- **Online self-service customer support**

The Quick Guide also provides tips to mitigate errors and avoid delays in processing the retirement application. The Guide lists the reasons that may cause a delay in processing, such as missing signatures on the retirement application, missing documentation such as divorce decrees, court orders, past or current workers' compensation claims, and other items.

Additionally, the Quick Guide outlines recommendations of things to be done before the applicant retires, such as ensuring all retirement forms have the necessary signatures, downloading personnel records from the OPF, completing payments for any open service credit accounts, and ensuring all necessary supplemental documents, such as marriage certificates, military service records, and court orders are included in the retirement package.

Finally, the guide has definitions on key terms and helpful resource links. For more information visit the [OPM Retirement Quick Guide](#).

The Impact of Divorce on Your Federal Benefits

As we embark on this journey we call life, we will experience many life changing events that can impact our Federal benefits. If you are facing a divorce, there are several important things you should know about your Federal Employees Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) benefits.

If you are enrolled in FEHB under the Self Plus One or the Self and Family option of your FEHB plan, you will have 60 days from the date the divorce is final to make changes to your coverage. If after the divorce you still have family members covered under your enrollment, you can continue the Self and Family option or, if there is only one eligible member covered, you can elect the Self Plus One option. If there are no other eligible family members covered under your FEHB enrollment, you can elect the Self Only option. You will also have the option to enroll in another plan. To make these changes, your Component's Benefits Office can provide you with information needed and the necessary steps. Your ex-spouse's FEHB coverage will terminate at midnight on the day of your divorce. Under the Spouse Equity Act, your spouse will be entitled to continue coverage through Temporary Continuation of Coverage (TCC).

If you are enrolled in the FEGLI program, and covering your spouse under Option C which covers your spouse and children you will need to cancel Option C coverage unless you have remaining eligible dependent children under the age of 22. This would also be a good time to review all your other beneficiary forms as well. If your spouse is listed as a FEGLI beneficiary, you may want to consider if you would like to designate to someone else. To make a change to your FEGLI beneficiary, complete a Standard Form 2823. Keep in mind that you may update to your beneficiary forms at any time.

Benefits Administration Letter 24-01—Annual Changes

BAL 24-01 was recently published to reflect the changes in variable interest rates and cost-of-living adjustments (COLA). The purpose of this BAL is to provide updated information on variable interest and COLA rates for calendar year 2024. Below are some highlights of the BAL.

COLA—Annuitants receiving a benefit from either their Civil Service Retirement System or Federal Employee Retirement System, with exceptions, will receive a maximum COLA increase in the amount of 3.2% for CSRS and 2.2% for FERS. The increase became effective December 1, 2023.

FERS COLA—FERS COLA is payable to annuities with commencing dates no later than November 30, 2023. The COLA increase will apply to both the survivor annuity and supplementary annuity for survivor annuitants.

CSRS COLA—Applies to all annuities, regardless of the age of the annuitant. CSRS annuitants who have been retired for at least one year will receive the full COLA or maximum increase. Annuitants on their first year on the annuity roll will receive a prorated COLA amount.

Children Survivor Annuity Benefits—When the child has a living parent, who was married to the deceased employee or retiree, the benefit payable to the child is lessor of: \$656 per month per child or \$1,968 per month divided by the number of eligible children (if over 3). When the child has no living parent who was married to the deceased employee or retiree, the benefit payable to that child is the lessor of: \$787 per month per child or %2,361 per month divided by the number of eligible children (if over 3).

FERS Basic Employee Death Benefit (BEDB)—The BEDB is a benefit payable to the spouse of a deceased employee who met certain eligibility requirements at the date of death. The 2024 BEDB \$41,568.31, the rate became effective December 1, 2023.

Thrift Savings Plan Deferral Limit—The Internal Revenue Service annual limit for elective deferrals increased to \$23,000 for the 2024 tax year. Elective deferrals is the maximum amount employees can contribute to their account.

For the complete BAL visit the following [BAL 24-101 Annual Changes](#).

Did You Know? Helpful Facts About TSP

Most of FERS Federal employees have active TSP accounts but many do not frequently review their account balances or fund allocations. Below are a few facts about TSP that you may not know.

- Did you know you could be a millionaire if you simply invest \$315 per paycheck for 30 years and earn average 8% per year? This is true even without considering agency matching contributions. If you don't have 30 years to invest, consider putting more money every time you have a step increase, annual increase or promotion.
- Did you know new Federal employees are automatically invested in TSP age appropriate Lifecycle funds with 5% of their salary unless they opt out? That also brings full government automatic and matching contribution of 5%, therefore, total 10% of their salary going into TSP retirement account. They can always change their allocation and change into different funds if they want to later in their lives.
- Did you know TSP hired a social scientist who uses behavioral science to understand individual decision-making in the real world? Investing is not science or math. There was a study of the various psychological factors that can affect the financial market. That means your emotions can influence your financial decisions. (source: <https://www.blackrock.com/lu/individual/education/behavioural-finance>)
- Did you know TSP will change the I Fund's benchmark index? The I Fund's current benchmark is the MSCI Europe, Australasia and Far East Index. The future I Fund benchmark will be the MSCI All Country World Investable Market Index ex USA ex China ex Hong Kong Index. This change will further diversify the I Fund, therefore TSP participants will have access to more countries and their companies.
- Did you know that if you are separated from Federal service and don't take the full amount of your Required Minimum Distributions (RMD), you may be subject to penalty? The Setting Every Community Up for Retirement Enhancement Act (SECURE ACT) of 2022, reduced that tax from 50% to 25% of the amount not paid to you on time. This further reduces the penalty to 10% if you correct the amount within two years.

“Did you know you can be a millionaire if you simply invest \$315 per paycheck for 30 years and earn average 8% per year?”



Total Compensation...More Than You Might Realize

It is easy to be overwhelmed by the endless rising costs of products and services, working jobs, and busy lifestyles. As federal employees, if we were to just look at our current salary, we would miss the extra behind-the-scenes benefits costs that are provided by the federal government. Let's peel back the curtain and take a closer look at our salary combined with what the federal government pays for our benefits, also known as Total Compensation.

How do I view my Total Compensation Statement?

Sign into the GRB Platform [GRB Online](#) (or your agency's HR system)

Click the document icon with the pie chart to download the statement.



Open the file to view your current salary and a breakdown of the costs the federal government pays for your benefits. Both combined are your Total Annual Compensation. Benefits are broken down into Health Insurance, Life Insurance, Retirement, TSP, Social Security, and Medicare. The rest of the statement provides information about federal benefits and the employee/government share of the costs.

You may be surprised to see that the government cost for benefits is a sizable portion of the Total Compensation! We can truly appreciate the robust benefits package and various benefit options we have as federal employees! Log into the GRB Platform today and review your Total Compensation Statement, there is more to compensation than you might realize.

If you have questions about your Total Compensation Statement, reach out to your local HR office. More compensation/benefit information can be found at [OPM Federal Employee Compensation Package](#).

Government Accountability Office Report: Characteristics and Administration of the Federal Wage System

On March 5th, 2024, the Government Accountability Office (GAO) released a report titled "Characteristics and Administration of the Federal Wage System" (GAO-24-106657). In collaboration with officials from the Department of Defense, the Office of Personnel Management, and the Federal Prevailing Rate Advisory Committee, the GAO conducted a thorough examination of the Federal Wage System (FWS). Established by the Prevailing Wage Act of 1972, the FWS serves as a vital component of Federal compensation for blue-collar employees. The report sheds light on a significant issue: deviations in FWS wage rates from prevailing rates due to legislative constraints, resulting in rates that are either below or above market standards. These constraints stem from Congressional actions that impose limits on minimum and maximum pay adjustments. Moreover, the report outlines the characteristics of the FWS, comparing them to those of the General Schedule pay system, and delves into the intricacies of administering the FWS.

Although the GAO report refrains from offering specific recommendations, it highlights some of the challenges found in administering the FWS. These challenges encompass the pay adjustment cap and floor mentioned above, inadequacy of survey job descriptions, resource constraints which impede agency participation at the local level to support Local Wage Survey Committee efforts, and the voluntary nature of participation from the private sector and Federal contractors. Overall, the report serves as a valuable resource for policymakers, professionals, and the public, providing invaluable insights into the intricacies of the FWS and its implications with the Federal compensation framework.

You may view the full report at [GAO Report](#).



The DoD NAF Health Benefits—Health Cost Incentives

Starting in 2024, you'll have more flexibility in how you spend your earned health incentives!

When you enroll in an Aetna medical plan, you and your covered spouse will still be able to earn up to \$300 each in incentive monies for taking healthy actions. However, for those enrolled in the Choice Point-of-Service (POS) II or Traditional Choice Plans, you'll now have more control over how you see those incentive monies.

Starting January 1, 2024, when you earn your first incentive monies, they'll be deposited onto a Health Reimbursement Account (HRA) debit card, and that card will be mailed to you. As you earn more incentive monies, they'll automatically be added to your debit card balance. You can let the funds build up for future expenses. Any funds remaining on your HRA debit card at the end of the year will carry over to the following year. [Learn more about the HRA.](#)

For choice POS II and Traditional Choice plan members, this is a change from the current system in which earned incentives are automatically applied to your claims. Note: Under the current 2023 program, any unused incentive monies will not carry over to 2024.

Health Incentives Program



Activity	Incentive Amount
Employees and covered spouses can each earn:	
Complete the Health Assessment on Aetna.com	\$75
Complete registration, if this is your first time on the site	
Complete metabolic syndrome screening between Jan 1 and Nov 30	\$150
Complete 3 calls with an Aetna Disease Management nurse to achieve a goal (not available to overseas employees)	\$75
Complete online Journey® (average time 32 days)	\$75 each; up to 4
Dependent children under the age of 18 can each earn:	
Complete preventive exam for children under age 18	\$50 for each child per year

You can view current and past earned incentives online. Log in to [Aetna.com](#) > Stay Healthy > Discover a Healthier You.



FEHB Program Family Member Eligibility Awareness

The Federal Employees Health Benefits (FEHB) Program provides comprehensive health insurance benefits comparable to that offered in the private sector. It is the largest employer-sponsored health care program in the country and a major benefit in the suite of benefits designed to support the overall well being of Federal employees.

Benefits are best utilized when the recipient is familiar with program requirements, such as plan networks or eligibility criteria. In 2023, the Office of Personnel Management (OPM) prescribed additional agency requirements to increase education and employee awareness around family member eligibility. This is part of an ongoing effort to ensure that FEHB is utilized as intended and maintains program integrity.

Agencies must continue to obtain proof of family member eligibility from employees during their initial opportunity to enroll and any other qualifying life events. Employees are not permitted to maintain coverage on unverified or ineligible family members. Failure to submit sufficient documentation timely or a determination of ineligibility results in the removal of these family members. Therefore, it is imperative that employees familiarize themselves with program requirements and submit documentation on time.

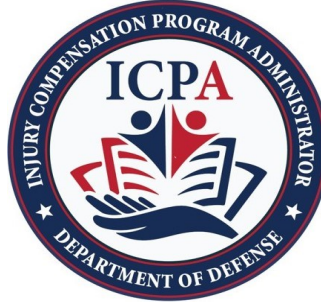
Benefits Administration Letter 23-203, *Family Member Eligibility Awareness for FEHB Program Coverage*, requires employing offices to send an annual communication to all employees describing family member eligibility and enrollment requirements. In addition, new employees must be notified upon entry on duty. The communication reminds employees of their responsibility to maintain eligible family members under their Self Plus One or Self & Family enrollment. These responsibilities include review of family member eligibility requirements and the family members listed under their enrollment, as well as informing their employing office of ineligible family members who need to be removed. It's important for employees to note that any intentionally false statement or willful misrepresentation, such as including ineligible family members, is a violation of law punishable by a fine or imprisonment, or both (18 USC 1001).

Please review the communications from your Component or Agency. It may be disseminated via mail, email, and/or posted on your agency's website. Take action if needed. Do your part to ensure the FEHB Program is utilized by the individuals it's intended to cover.

For more information on eligibility and other program details, visit
<https://www.opm.gov/healthcare-insurance/healthcare/>.

Have a Happy and Healthy Summer! 





We are excited to continue to offer Employee Benefits, Injury Compensation, and Unemployment Compensation Training for 2024!

Our Employee Benefits Training which includes the Basic (no prerequisites), Intermediate and Advanced courses will have the same prerequisites: to take the Benefits Intermediate Course (BIC), you must have **successfully completed** the Basic Benefits Course. To qualify to take the Advanced Benefits Workshop (ABW), you must **have successfully completed** the Basic Benefits Course and Benefits Intermediate Course. So far this year, we have completed three Basic Benefits Courses.

The Federal Employees Retirement System (FERS) Eligibility Workshop will again be on the schedule in 2024. The success of last year's workshop will continue in 2024. Please note that the Workshop has **no prerequisite** requirements. We have completed two FERS Eligibility Workshops this year.

Our Injury Compensation Advisor (ICPA) courses are also on the schedule for 2024 and will offer Beginner, Intermediate, and Advanced levels of training. Participants will be required to pass the Beginner ICPA course in order to qualify for the Intermediate ICPA training course. To be eligible for the Advanced ICPA course, the participant must have **successfully completed** the Beginner and Intermediate ICPA courses. One ICPA Level I Course and one ICPA Level II Course have been completed so far this year.

Unemployment Compensation (UC) training courses are on our training schedule for 2024. Our upcoming UC course offerings will provide tailored training modules exclusively for Unemployment Compensation Program Administrators (UCPAs), covering a wide range of topics. Registration for the Basics course is currently available. There are **no prerequisite** requirements. One UC Basics Course has been completed this year.

Thank you for your continued support of our training programs and your commitment to being the one of the best HR Professionals in the HR Community. We have posted all of our 2024 Open Enrollment courses around mid-January 2024, and you can access the following links to register:

[Employee Benefits Training](#)

[Injury Compensation Training](#)

[Unemployment Compensation Training](#)

If you have any questions or would like more information about any of our employee benefits training courses, please email the following training inquiry email groups:

EBA: dodhra.mc-alex.dcpas.mbx.dod-bwnp-employeebenefitstraining@mail.mil

ICPA: dodhra.mc-alex.dcpas.mbx.icuc-learn@mail.mil

Benefits, Wage, and
NAF Policy Line of
Business



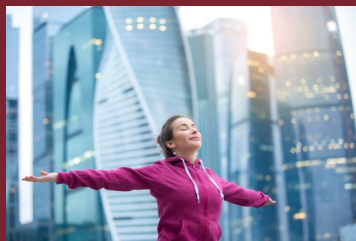
BENEFITS • WAGE • NAF Policy
Our Service Sustains Your Service

4800 Mark Center Drive
Alexandria, VA 22350

Phone: (703) 882-5197

Email:

dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil



**Data—Driven
Solutions**

to
Inform & Transform

HR

DCPAS

FERS Turns 40!

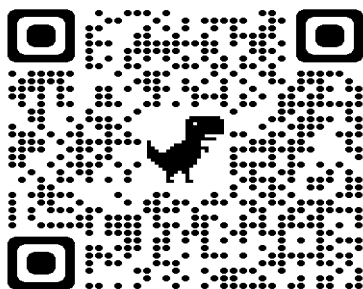
For quite some time now the Federal Employees Retirement System (FERS) has been referred to as the “*new*” system in comparison to the “*old*” known as the Civil Service Retirement System (CSRS). FERS has reached the 40-year milestone and just maybe its time to move on from it as the “*new*” system. One thing is for sure, whether it’s a retirement system or simply life if you’re of a certain age you have no choice but to think of yesteryear, present day, and what’s ahead.

One may think, “I thought FERS was enacted on January 1, 1987”? Correct, it was but pending the establishment of FERS, federal employees first hired in a covered position as of January 1, 1984, through December 31, 1986, to include rehires, were covered under CSRS Interim. While covered under CSRS Interim employees were subjected to paying Social Security taxes leading the way for the FERS rollout. Social Security Administration Amendment of 1983 [Public Law 98-21](#) mandated Social Security coverage for all new Federal employees hired on or after January 1, 1984.

During its infancy lawmakers looked for ways to create equality amongst the two-retirement systems overall. With that thought in mind, FERS employees were met with a Social Security benefit and an employer contribution toward savings known as the Thrift Savings Plan. Through the years additional benefits were added to FERS such as the ability to credit unused sick leave and buy back past service (deposits). As of today, FERS makes up roughly 90% of new retirees. The future of FERS could see additional changes that are advantageous to the current active employee. Future changes are unknown but expect any change to mimic the current economic climate.

Cheers to 40 years of FERS!!!!

For more information visit [FERS Retirement Information](#).



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