What to Know Before You File for Your FERS Retirement

A Practical Guide for Federal Employees

Federal Employees Retirement System | 2026 Edition

YOUR PRESENTER

Tammy Flanagan

Federal Retirement Expert

Principal | RetireFederal.com

Tammy@retirefederal.com

The Three Pillars of FERS

Your retirement income comes from three coordinated sources, often called the "three-legged stool."

FERS

FERS Basic Pension

Monthly annuity based on your high-3 salary and years of service. Provides a stable income floor for life.

TSP

Thrift Savings Plan

Your federal *"401(k)."* Agency contributes 1% automatically, plus up to 4% match. Tax-deferred (traditional) and tax-free (Roth) growth with diverse fund options.

SSA

Social Security

FERS employees pay into Social Security. Benefits start at 62 (reduced) or later. Timing your claim is critical.

FERS Basic Benefit

Annual Pension = **High-3 Salary** x **Years of Service** x **Multiplier**

1. **High-3 Average Salary**
   Highest 3 consecutive years of basic pay (usually your final 3 years)

2. **1.0% Multiplier**
   Standard rate per year of service for most retirees

3. **1.1% Multiplier**
   If you retire at age 62+ with 20+ years of service

4. **Example: 30 years, $120K high-3**
   $120,000 x 30 x 1.0% = $36,000/year

5. **Example: 30 years at age 62+**
   $120,000 x 30 x 1.1% = $39,600/year

6. **COLA Adjustments**
   Annuity adjusts for inflation once you reach age 62 (2026 FERS COLA: 2.0%)

Eligibility at a Glance

Meet one of these age + service combinations to receive a lifetime FERS annuity

Retirement Type	Age	Years of Service	Key Notes
Immediate Retirement	**62**	**5+**	Minimum civilian service requirement
Immediate Retirement	**60**	**20+**	FERS Supplement eligible
Immediate Retirement	**MRA (55-57)**	**30+**	
Immediate MRA + 10	**MRA (55-57)**	**10+**	5%/year penalty under age 62 or Postpone to avoid some or all of penalty
Voluntary Early Retirement Authority or Discontinued Service Retirement	**50** **Any**	**20** **25**	Agency must offer
Deferred	Separate before meeting above requirements		Benefit begins at age that corresponds with service requirement

MRA ranges from age 55 to 57 depending on your birth year. Born 1970+: MRA is 57.

Survivor Benefits

Protect your spouse's income and health coverage after you're gone.

50%

of your annuity
to surviving spouse

Full Survivor Benefit

10% annuity reduction

Provides strongest protection

25%

of your annuity
to surviving spouse

Partial Survivor Benefit

5% annuity reduction

Moderate coverage at lower cost

0%

of your annuity
to surviving spouse

No Survivor Benefit

No reduction

Spouse loses FERS income & FEHB
May continue FEHB **if eligible** for FERS Retirement Benefit

Thrift Savings Plan: 2026 Limits

$24,500
Regular Limit
All employees

$32,500
Age 50+ Total
With $8,000 catch-up

$35,750
Ages 60-63 Total
Super catch-up provision

Agency Matching: Don't Leave Money on the Table

- 1% automatic agency contribution (even if you contribute $0)
- Dollar-for-dollar match on your first 3% of pay
- 50 cents on the dollar for the next 2% of pay
- Contribute at least 5% to capture the full 5% agency match
- Spread contributions evenly across all pay periods to avoid losing match

TSP Fund Options

G

G Fund

Government securities

F

F Fund

Bond index

C

C Fund

S&P 500 index

S

S Fund

Small/mid-cap stocks

I

I Fund

International stocks

Lifecycle (L) Funds: The Simplest Approach

L Funds automatically blend all five core funds based on your target retirement year.

11 Lifecycle Funds available: L 2075 through L Income

They automatically shift from growth (stocks) to stability (bonds) as you approach your target date. Choose the L Fund closest to when you'll start withdrawals, not when you'll separate from service.
This may be much later than your retirement date.

Social Security & the FERS Supplement

Social Security

- FERS employees pay into Social Security, unlike CSRS employees
- Earliest eligibility at age 62 with reduced benefits
- Full retirement age is 67 for those born 1960+
- Delaying to age 70 increases benefits by approximately 8% per year
- Coordinate claiming with your pension and TSP withdrawals

FERS Special Retirement Supplement (SRS)

- Paid as part of your FERS Retirement, if eligible
- Bridges income between early retirement and age 62
- Available if you retire at MRA with 30 years, or age 60 with 20 years or at MRA under VERA and DSR
- Not available under MRA+10, deferred, or disability retirement
- Formula: (FERS years / 40) x estimated Social Security benefit at 62
- Subject to an earnings test if you work after retiring ($24,480 – 2026)

FEHB/PSHB Health Coverage in Retirement

The government continues to pay a weighted average of 72% of your health insurance premium in retirement.

Requirement 1

Retire on an immediate annuity (annuity starts within one month of separation).

Requirement 2

Be enrolled in FEHB/PSHB for the 5 consecutive years before retirement (or since first opportunity, if less).

- Coverage options include Self Only, Self Plus One, and Self and Family
- You can change plans during annual Open Season, even in retirement
- Electing survivor benefits lets your family keep FEHB/PSHB if you pass away
- If your spouse declines survivor benefits, they will no longer carry FEHB/PSHB coverage upon your death*
- TRICARE counts toward the 5-year enrollment requirement (must be FEHB/PSHB covered on date of retirement)

*If your spouse is a federal employee or annuitant, this is a Qualifying Life Event to enroll.

Top Retirement Planning Mistakes

1

Not diversifying/increasing TSP contributions

Biggest regret: Not saving more
2nd Biggest regret: Moving too much to G too soon.

2

Retiring too soon / too late

Be sure that you can afford to retire, but don't wait too long and miss out on life after retirement!

3

Ignoring your service history

Missing documentation or failing to pay deposits for civilian refunded contributions, temp service <1989 or military buyback .

4

Misunderstanding FEGLI costs

Premiums spike after age 50. Evaluate private insurance options early. Basic FEGLI is free after 65 and retired (under 75% reduction option).

5

Skipping Medicare at 65/retirement

Medicare + FEHB can reduce your out-of-pocket medical expenses to almost zero and a less expensive plan may be your best supplement to Medicare.

6

Applying for SSA too soon or failing to apply for Medicare at 65.

Benefit amount at age 70 is about 77% more than the benefit if started at age 62

Your Retirement Readiness Checklist

10+ Years Out

- Contribute at least 5% to TSP
- Increase contributions with every pay increase
- Review and diversify TSP allocation
- Verify your Service Computation Date
- Update beneficiary designations
- Attend midcareer training

5 Years Out

- Request a retirement estimate from HR
- Complete any military/civilian buyback deposits
- Confirm 5 years continuous FEHB/FEGLI enrollment
- Attend pre-retirement training

1 Year Out

- Model FERS, TSP, and Social Security income
- Decide on survivor benefit election
- Choose your optimal retirement date
- Apply for FERS 60-90 days before retirement date

Key Takeaways

1. FERS is a three-part system: pension, TSP, and Social Security work together
2. Contribute 5% and more to TSP to capture the full agency match
3. Know your eligibility: age + years of service determine your options
4. The FERS Supplement bridges income if you retire before age 62
5. Survivor benefits and FEHB elections have lasting consequences
6. Start planning early, verify your records, and model your income

Resources: opm.gov/retirement | tsp.gov | ssa.gov/myaccount

Questions & Answers

We’re happy to answer your questions

opm.gov/retirement | tsp.gov | ssa.gov/myaccount