



## NARFE Membership Provides:

### Legislative Representation

NARFE's national legislative program is advanced in Congress by a team of registered lobbyists backed by an informed network of grass-roots activists in every state and congressional district, and a member-supported Political Action Committee. The Association's strong supporters and years of experience on Capitol Hill and in federal agencies have made NARFE a name respected by members of Congress and a key player in the federal community.

### NARFE Magazine

NARFE's award-winning monthly magazine for active and retired federal employees gives current information about legislative issues that affect you, an in-depth look at federal benefits and financial planning topics, questions and answers and more!

### NARFE Federal Benefits Institute

The NARFE Federal Benefits Institute has a full slate of live and recorded webinars, issue briefs and tools designed to help you take charge of your federal benefits and prepare for a secure future. These resources are always free to NARFE members. In addition, NARFE Federal Benefits Institute staff of benefits experts are available to personally answer questions about federal benefits by phone or email.

### NARFE Member Perks

NARFE Membership entitles you to special rates on insurance, wellness, travel, moving, products, services, and more!



Don't make the same mistakes!  
Protect your earned benefits.

### Join NARFE today!

As the only organization solely dedicated to the general welfare of all federal workers and retirees, NARFE delivers valuable guidance, timely resources and powerful advocacy. For nearly a century, NARFE has been a trusted source of knowledge for the federal community, Capitol Hill, the executive branch and the media.

**National Active and Retired Federal  
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## The 10 Worst Mistakes Federal Retirees Can Make





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The decisions you make in retirement are important. Here are the **10 Worst Mistakes** federal retirees can make.

## 1. Moving before investigating

Relocating without thoroughly evaluating a new area can be an expensive mistake. Thoroughly assess and compare financial, emotional, cultural, medical, and other considerations such as proximity to family. Focus on the reality, rather than the dreams, of retirement. Once a year, NARFE publishes a special section in *NARFE Magazine* on how states tax federal retirement benefits. You should research all state and local taxes when relocating.

## 2. Not thoroughly reading mail from OPM

OPM serves as a retiree's payroll office. Always open and read any information you get from the Office of Personnel Management (OPM). While some OPM notices are general updates, many are personalized updates about your specific individual retirement benefits. For example, OPM sends a cost-of-living notice each December with important information. If you ignore one of these notices, you could lose your benefits or see your monthly annuity payment decrease. You could also lose the ability to appeal any adverse action affecting your benefits. Of course, always notify OPM if your mailing address changes.

## 3. Ignoring your change in insurance needs upon retirement

The Federal Employees' Group Life Insurance Programs (FEGLI) (options A, B and C) increase in monthly premiums by nearly 50 percent at ages 55 and 60. Many retirees who maintain the same coverage they had as employees are overpaying. Examine your needs to determine what purpose life insurance serves for you. While you should have considered long-term care insurance *before* you retired when the requirements are less restrictive, if you are able to drop or reduce your life insurance, you would have more money available for long-term care insurance.

## 4. Not reading the annual federal benefits Open Season material

Just because you are satisfied with the health, long-term care, dental or vision insurance plan you have this year doesn't mean you shouldn't read the upcoming year's information. Something changes every year, whether it's a health plan dropping out of the program or plans merging, changing areas of coverage, dropping an option or increasing/decreasing premiums. You get a lot of information during the annual Open Season, but knowing your options is very important. Read it all.

## 5. Changing FEHB coverage to Self Only when your spouse has his or her own nonfederal coverage

If you change your coverage to a Self Only option and your spouse does not have his or her own Federal Employees Health Benefits (FEHB) coverage as a federal retiree, your spouse will not be able to continue FEHB coverage if you die. As a federal retiree, you must not only elect a survivor benefit but also have an enrollment covering your spouse in effect at the time of death for your spouse to ensure continued FEHB health coverage.

## 6. Choosing the wrong health care options for a federally employed family

If you and your spouse are both Feds, choosing between enrollment options (Family, Self Only, Self Plus One) in FEHB plans is an important decision with financial implications that are unique to each family. For example, if one of you is still federally employed, it may be best for the employee to carry everyone on his or her employment FEHB plan. Not only can the employee take advantage of the "premium conversion" tax exclusion afforded only to active employees, but if either individual is old enough for Medicare, neither would be concerned with paying for Medicare Part B while covered under employment FEHB. If old enough for Medicare upon separation from federal service, the

individual would have a special eight-month window to sign up and start paying for Medicare Part B once the employment FEHB is transferred to OPM and becomes secondary to Medicare.

## 7. Closing your old bank account too soon

If you need to change the bank account you are using for your retirement direct deposits, do not close your old savings or checking account until you know for sure your retirement payments are being deposited in the new account. Too often, the bank-change request does not go into effect until the next month's payment cycle, resulting in the next payment being sent to the old account. If that account is closed, then the payment is returned, and it could be another month before it is reissued.

## 8. Neglecting to elect a survivor benefit upon marriage or remarriage

If you marry or remarry after retirement, you have up to two years to elect a survivor benefit for your spouse. Don't forget, upon your death your survivor cannot continue your health benefits coverage unless you have elected to provide a survivor benefit.

## 9. Not checking your federal retirement benefits online

All retirees can view their current benefits and the amount of their next scheduled payment online, using OPM's Services Online website. To use it, you will need the PIN number you were issued by OPM or request one by going to [www.opm.gov/retire](http://www.opm.gov/retire). By keeping track of your benefits, you will know ahead of time if your next payment is the correct amount and going to the right address.

Log in to your account at least once per year to avoid having to reset your password. There are many things that you can do in just a few minutes on OPM's Services Online site that could take weeks or months to accomplish by phone or mail.

And the **WORST MISTAKE** Federal Retirees Can Make:

## 10. Not Joining NARFE

NARFE has the knowledge and support you need to help guide you in retirement. NARFE has more than 95 years of experience lobbying for federal retirement matters on Capitol Hill. NARFE's Federal Benefits Service staff are former employees of OPM and the Social Security Administration with years of experience in federal retirement and insurance issues. Every month *NARFE Magazine* provides members with the latest news on issues that affect their income and benefits security. Many NARFE Chapters have service officers who can help you make sense of notices from OPM and Open Season materials.