



## Phased Retirement Employee Guide – Version 2

### April 5, 2017

Phased retirement is a tool designed to assist Federal agencies with succession planning, maintaining essential skills and competencies, and facilitating mentoring and knowledge transfer. It does this by providing an opportunity for retirement-eligible employees to work half time (i.e., 40 hours per pay period) and earn partial retirement benefits for a limited period of time before transitioning to full retirement. Phased retirement at the National Aeronautics and Space Administration (NASA) will be limited to an initial period of 2 years; an extension may be granted at management's discretion, up to a total period of no more than 3 years.

An application for phased retirement must fully describe the work the employee proposes to accomplish during the phased retirement period and include a substantive plan for transferring knowledge to others. At least 20 percent of the phased retiree's work hours must consist of mentoring activities. The application must be approved by a designated management official, based on NASA-established criteria.

Each employee entering phased retirement status will sign an agreement that describes the terms and conditions of this status. Among the terms are an end date for the phased retirement period, with a commitment by the employee to fully retire on or before this date.

This guide provides information and resources to help you determine if phased retirement is right for you, and to apply for and enter phased retirement status. You are encouraged to follow the steps and actions in the content order shown below:

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**Document History Log**

Status (Basic/Revision/ Cancelled)	Revision Date	Description of Change
Basic (Version 1)	June 10, 2015	Basic Release
Revision (Version 2)	April 5, 2017	<ul style="list-style-type: none"> <li>• General:                             <ul style="list-style-type: none"> <li>○ Updated document styles and verbiage for consistency with other similar documents.</li> <li>○ Clarified timeframes to be calendar days.</li> </ul> </li> <li>• Introductory statement Note box: Clarified the timeframe for beginning to determine if phased retirement is for you.</li> <li>• Step 2, When will I be ready for full retirement?:                             <ul style="list-style-type: none"> <li>○ Added the OGC Outside Activities embedded hyperlink to the Web page name.</li> <li>○ Added the last bullet regarding FEHB coverage.</li> </ul> </li> <li>• Step 3, What are the effects of phased retirement on my pay and benefits?: Added the OPM Phased Retirement Web page name and embedded hyperlink.</li> <li>• Step 4, How can I contribute to NASA as a phased employee/retiree?:                             <ul style="list-style-type: none"> <li>○ Proposed Mentoring Plan heading: clarified bullet explaining how phased retirees will be evaluated.</li> <li>○ Proposed Mentoring Plan heading: Added the OPM HR University embedded hyperlink to the Web site name.</li> <li>○ Proposed Mentoring Plan heading: clarified bullet explaining how to access the OPM HR University link.</li> </ul> </li> <li>• Step 5, How do I get annuity estimates and retirement counseling?:                             <ul style="list-style-type: none"> <li>○ Added note box regarding full retirement estimates.</li> <li>○ Updated instructions for locating phased retirement estimate form.</li> </ul> </li> </ul>

In addition to this guide, many resources and references are available for you while considering phased retirement. Please visit the NASA Shared Services Center (NSSC) Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>.

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Center Human Resources (HR) Offices will administer the Phased Retirement Program. Contact your designated Point of Contact (POC) for Center-specific information and procedures.

**Note:** You should begin the process of determining if phased retirement is for you 6 months before you would like to enter phased retirement status. This is to ensure all steps can be completed and that your partial annuity can be started as soon as possible after you begin phased retirement.

### **Step 1 – Am I eligible for phased retirement?**

- Have I worked full time for the 3 years before the date I anticipate entering phased retirement?
- Am I eligible for voluntary retirement?
  - **Civil Service Retirement System (CSRS):** I have at least 30 years of service and am at least age 55, or I have at least 20 years of service and am at least age 60.
  - **Federal Employees Retirement System (FERS):** I have at least 30 years of service and have reached my Minimum Retirement Age (MRA), or I have at least 20 years of service and am at least age 60.

### **Step 2 – When will I be ready for full retirement?**

When entering phased retirement, **you commit to fully retire at the end of the agreed-upon time period.** So it is important to be sure you **want** to fully retire and are **ready** to fully retire BEFORE you consider phased retirement. Consider these questions:

- Have I evaluated my financial and personal readiness for full retirement?
- Have I taken other steps to contemplate full retirement, such as reviewing my personnel records, requesting retirement estimates and counseling, and paying deposits I owe? For more information related to your retirement system (i.e., FERS or CSRS), please visit the NSSC Retirement Web page at <https://www.nssc.nasa.gov/retirement>.
- Have I contemplated a retirement date?
- Do I plan to take a private sector job upon retirement or engage in other activities that might be related to my NASA employment? (If so, and if you would want to begin this work while in phased retirement status, it is critical that you **consult a NASA Ethics Advisor** to determine whether the outside employment/activity would be approved.) For more information, visit the [Office of General Counsel \(OGC\) Outside Activities Web page](#). You may also access the OGC site on the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement> by clicking the **Limitations on Outside Activities** link.

- Do I understand that if I enter phased retirement, I can only return to regular (i.e., non-phased) employment if I am selected for another job or in rare other circumstances – subject to management approval?
- Do I understand that if I return to regular employment, I can never again participate in phased retirement (in any Federal agency)?
- Will I have 5 years continuous coverage under the Federal Employees Health Benefits (FEHB) Program in order to carry coverage into full retirement?

### **Step 3 – What are the effects of phased retirement on my pay and benefits?**

In phased retirement, you are both a part-time employee and an annuitant. When determining if phased retirement could work for you, it is critical to understand the effects of this status on your pay, leave accrual, benefits, and annuity, both while in phased retirement and upon full retirement.

This section of the guide provides basic information that applies to most phased retirees. There are many resources providing more information about these topics and about provisions that apply in individual situations, such as when a phased retiree has a court order affecting an annuity or when a phased retiree dies. **You are strongly encouraged to review such resources before deciding whether to apply for phased retirement, particularly the Office of Personnel Management (OPM) Instruction Pamphlets and Forms that can be accessed on the [OPM Phased Retirement Web page](#).** A link to the OPM page is also located on the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>.

#### **Work Schedule:**

- While in phased retirement, you must be on a half-time (i.e., 40 hours per pay period) schedule. No other work schedule is permitted.
- You may participate in an Alternative Work Schedule (to include the option to earn and use credit hours) if available in your organization, with supervisory approval. Phased retirees may not carry over more than 10 credit hours to the next pay period.
- You may earn and use compensatory time off for travel and for religious purposes.
- You may work more than the 40 hour schedule only under very limited emergency situations, which must be **approved in advance** in writing by a designated official.
- Credit hours and compensatory time (for religious or travel purposes) earned may be in excess of the 40-hour schedule without requiring approval of an emergency situation.

#### **Pay While in Phased Retirement:**

- Your gross pay will equal your regular salary plus locality for the number of hours worked or in approved non-work pay status (e.g., leave, time off award, credit hours).
- Your net pay may be less than half of your full-time net pay because of the impact of amounts taken from your pay for benefits (see below). For example, premiums for health insurance and other benefits will be the same as when you were full time.

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### **Annuity While in Phased Retirement:**

In addition to your part-time salary, while in phased retirement you receive annuity payments equal to approximately half of the defined benefit portion of your retirement.

- Your phased retirement annuity equals half of the annuity you would have received if you fully retired on the date you entered phased retirement, except that:
  - The calculation of your annuity does not include your accrued sick leave (your sick leave will be credited when you enter full retirement), and
  - There is no reduction for survivor annuity (any reduction for survivor annuity will begin when you enter full retirement).
  - FERS employees are not eligible for the Retirement Annuity Supplement.
- If you are covered by CSRS, you will receive Cost of Living Adjustments (COLAs) on your phased retirement annuity. If you are covered by FERS, you will not receive a COLA until you reach age 62, unless you have a CSRS component (in which case you will receive COLAs on the CSRS portion of your annuity).
- While you are not eligible to receive monthly payments from the Thrift Savings Plan (TSP), we encourage you to read the TSP booklet, In-Service Withdrawals. You may locate it by visiting the **Forms and Publications** section on the TSP Web page at [www.tsp.gov](http://www.tsp.gov).
- You receive an interim phased annuity while OPM adjudicates your case, just like in full retirement. The phased annuity should be finalized within 6 months.
- Deposit requirements:
  - Military deposits must be paid in full prior to entering phased retirement status.
  - Civilian deposits and redeposits must be paid before OPM finalizes your application for phased retirement.

**To see examples of income under phased retirement compared to income at full retirement, with and without participating in phased retirement, refer to Appendix B, Phased Retirement Income Samples – FERS, and Appendix C, Phased Retirement Income Samples – CSRS.**

### **Annual and Sick Leave:**

- You will not receive a lump-sum payment for annual leave upon electing phased retirement, but you will receive one when you fully retire.
- Part-time employees earn leave on a pro-rated basis. A phased retiree working 40 hours per pay period will earn 4 hours of annual leave and 2 hours of sick leave per pay period.
- You will maintain your annual and sick leave balances upon transition to phased retirement.
- Phased retirement will not affect your annual leave ceiling; you are still subject to the same maximum annual leave carryover restrictions as all other NASA employees.

### **Holiday Leave:**

A part-time employee is entitled to a paid holiday, for the number of hours scheduled for that day, when the holiday falls on a day when the employee would otherwise work or take leave. If a holiday falls on a part-time employee's nonworkday, the employee is not entitled to an "in lieu of" holiday.

### **Retirement Contributions:**

You will continue to accrue credit toward, and make contributions for, an adjusted composite retirement annuity upon full retirement. Applicable deductions for your particular retirement system (i.e., CSRS, CSRS Offset, or FERS) will be based on your biweekly part-time pay, not including awards and premium pay.

If an authorized emergency requires you to work beyond the 40-hour limit, then pay received for this time will be subject to retirement deductions and Agency contributions, but it *is not* used in computing your retirement benefits.

### **FEHB Program:**

As a phased retiree, the employer share of your health benefits premiums will continue to be paid as if you are a full-time employee. Your share of the premiums will continue to be deducted, on a pre-taxed basis (if applicable), from your NASA salary.

### **Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Long Term Care Insurance Program (FLTCIP):**

As a phased retiree, you may participate in FEDVIP and FLTCIP. Premiums will continue to be deducted from your NASA salary.

### **Federal Flexible Spending Account (FSAFEDS) Program:**

As a phased retiree, you may participate in FSAFEDS. The amounts you elected to save in your flexible spending account(s) for the year you enter phased retirement will not change. Unlike health insurance, FSAFEDS enrollments do NOT carry over from year to year, so to participate, you must re-enroll during Open Season. If you wish to change the amounts you save in your flexible spending account(s), you may do so at that time.

### **TSP:**

- For TSP purposes, your employment status as a phased retiree is the same as the status of a regular part-time employee; therefore, you are not eligible for post-employment withdrawals. For information regarding eligible in-service withdrawals, please refer to the TSP booklet, In-Service Withdrawals. You may locate it by visiting the **Forms & Publications** section on the TSP Web page at [www.tsp.gov](http://www.tsp.gov).
- Phased retirees who are covered by FERS and CSRS continue their eligibility to participate in TSP. As a phased retiree, you are eligible to contribute to TSP and are subject to the normal restrictions regarding TSP loans, financial hardship withdrawals, and/or age-based in-service withdrawals.

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- For FERS employees, the Agency’s matching contributions will be based on your biweekly part-time pay, not including awards and premium pay.
- If you are in a phased retirement status, you will not be subject to required minimum distributions or the TSP withdrawal deadline.

### **Life Insurance:**

The same costs and benefits apply to employees in a phased retirement status as for full-time employees, both for employees in the Federal Employees’ Group Life Insurance (FEGLI) and the NASA Employees Benefit Association (NEBA). FEGLI benefit coverage amounts will be based upon the full-time salary for your position.

### **Annuity Upon Full Retirement:**

Phased retirees may enter full retirement at any time, and must enter full retirement at the end of the agreed-upon period of phased retirement, unless approved to return to regular (non-phased) employment.

- When you fully retire, the full retirement annuity, the “composite retirement annuity,” will equal the sum of the phased retirement annuity, updated by any COLAs you received, plus the amount of the final phased portion of the full retirement annuity. The final phased portion of the full retirement annuity equals 50 percent of the full annuity you would have received had you not elected phased retirement and, instead, continued working full-time until full retirement.
- The time served as a phased retiree counts as full-time years of service in computing the final phased portion of the composite annuity.
- The final phased portion of the composite annuity includes credit for unused sick leave.
- The composite annuity is subject to a reduction for a survivor annuity election, if applicable.
- If applicable, the FERS Annuity Supplement may be paid after you fully retire and begin receiving the composite annuity.

### **Step 4 – How can I contribute to NASA as a phased employee/retiree?**

When applying for phased retirement, you propose what work you will perform during the phased retirement period and a mentoring plan that addresses your transfer of knowledge. Discuss potential work and mentoring options with your supervisor. Consider the following:

- The NASA-wide criteria for approval of phased retirement applications:
  - There is a need for and an opportunity for meaningful transfer of the employee’s knowledge as proposed in the mentoring plan; employee is a fit for the needed or proposed type(s) of mentoring; **and**
  - The proposed work is needed, available, suitable for a half-time schedule, and consistent with management determinations about deployment of positions and workload. Employee meets the qualifications requirements for any reassignment or detail; **and**

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- Any impact on the organization's or Center's authorized funding levels has been considered and determined acceptable.
- Your Center's particular criteria and guidance (e.g., types of positions that may be considered). Consult with the Phased Retirement POC in your Center's HR Office for more information.
- The period of time that would allow you to complete the work and mentoring that you propose. Remember that an initial period of phased retirement is limited to 2 years or less; an extension may be approved up to a total of 3 years.

### Proposed Work Plan

- Can you identify a meaningful portion of work in your current position that could be performed on a less than half-time basis? **Remember that 20 percent of your time must be spent in mentoring activities.**
- If not, can you identify another position or body of work where you could perform valuable work on a less than half-time basis? If the work you propose is under an organization other than your own, you must coordinate approval for this with all stakeholders, to include whether you will be detailed or reassigned during phased retirement.
- Are you a supervisor? If so, your application must describe how you anticipate the supervisory work will be performed while you are in phased retirement, specifically whether:
  - The supervisory duties will be assigned to someone else, **or**
  - You will continue performing the supervisory duties – in this case your application must explain how this work will be accomplished on a half-time schedule, and your proposed work schedule should include most days of the pay period.
- Are you a member of the Senior Executive Service (SES)? If so, your application must identify a General Schedule (GS) position or set of duties in which you will serve while in phased retirement, and include a statement that you are requesting a voluntary change to lower grade to the GS position.

### Proposed Mentoring Plan

- What knowledge do you propose to transfer during the phased retirement period?
- Who will you mentor (may be individual(s) or groups)?
- What will your mentoring activities include? Options include but are not limited to:
  - Direct mentoring to successor or other staff.
  - Developing and/or presenting training.
  - Developing policies or operating procedures.
- What schedule do you propose for performing for your mentoring activities?
  - Normally, the minimum 20 percent mentoring time must be completed each pay period (i.e., 8 hours each pay period).
  - Exceptions may be approved for reasons such as the availability of individual(s) who will be mentored or if your plan consists mostly of training that is not conducted each pay period. **For exceptions, the 20 percent requirement must be met each quarter.**

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- Do you have the aptitude, skills, and interest to perform the proposed mentoring activities? Phased retirees will be evaluated on mentoring and knowledge transfer in their performance plans to evaluate the performance of this work.
- Volunteer activities performed during non-work hours, such as mentoring students in a school or community program, will not count toward the 20 percent mentoring requirement.
- Resources for mentoring are available on [OPM's HR University Web site](#). A link is also located on the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>. Under the **Quick Links** heading, click the **Mentoring** link. You may also contact your Center Phased Retirement POC for additional resources and guidance.

### **Step 5 – How do I get annuity estimates and retirement counseling?**

In Step 3, you learned about how the annuity for a phased retiree is calculated. If you have considered all the questions in the steps above and believe phased retirement may be right for you, you may request phased retirement annuity estimates and counseling to review your specific annuity numbers. **You must be within 6 months of eligibility for phased retirement** (see Step 1 above for eligibility requirements) **and of your anticipated phased retirement start date to request a phased retirement estimate.**

**Note:** You may request a full retirement estimate 1 year from retirement. Your phased retirement annuity will be approximately one half of the estimate. Please put in the request comments not to calculate with sick leave.

To request your phased retirement estimate, visit the [HR Service Center](#). An NSSC Retirements Counselor will provide the estimates, review them with you, and counsel you about all of the considerations and options you should weigh in making your decisions.

### **Step 6 – How do I prepare and submit my application for phased retirement?**

- To apply for phased retirement, you must complete and submit the **NASA Application for Phased Retirement** as well as any additional materials required by your Center. You may locate the application on the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>. Contact the Phased Retirement POC in your Center HR Office regarding your Center's processes and requirements.
- It is recommended that you draft the application then discuss it with your supervisor to refine it prior to submission.

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- You should normally propose a beginning date for phased retirement that is at least 90 calendar days from the date you submit your application, allowing **30 calendar days** for an approval decision and **60 calendar days** for processing your entry into phased retirement. You may propose a sooner date if either or both of the following apply:
  - You anticipate approval of your application in less than 30 calendar days due to advance coordination;
  - You want to start your period of phased employment (half-time schedule) before your retirement paperwork is complete and submitted to OPM. **In this case, the start of your phased retirement interim annuity will be delayed.**
- Submit your application to your supervisor, who will forward it to the Center phased retirement POC. The POC will review your application and submit it to the Approving Official.
  - If your application is missing any required components, the POC will return the application to you and offer you the opportunity to provide the missing content.
  - The POC may also provide feedback to help improve your application and offer you the opportunity to make adjustments based on this feedback.
- The Approving Official should issue a decision within 30 calendar days. If the decision is delayed, you will be notified about the delay and advised when you can expect a decision. If your application is returned to you by the POC, the 30-day period begins when you resubmit the application and it is deemed complete.
- If your application is denied, written reasons will be provided. You may request reconsideration by submitting a written request to the POC within 15 calendar days after you receive the decision.
- You may withdraw your application any time before you enter into a phased retirement status. After that point, you may only return to regular (non-phased) employment if approved to do so.

### **Step 7 – How do I enter phased retirement?**

If your application is approved, you will work closely with the NSSC Retirements Team and your Center Phased Retirement POC to complete your processing into phased retirement status.

- The NSSC Retirements Team will contact you to provide the additional forms you will need and guide you through completing them. It is your Center's responsibility to notify the NSSC of your approval to participate in phased retirement. Please ensure that once you are approved for phased retirement that you Center provides appropriate notification to the NSSC.
- The Center POC will work with you to execute two critical documents: the Phased Retirement Agreement and the required OPM Standard Form (SF) 3116, Phased Employment/Phased Retirement Status Elections. **These documents must be completed and signed before you may enter into phased retirement status.**

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- NSSC will notify OPM that you have entered phased retirement status within 30 calendar days of your start date. OPM will process your retirement application.
- Any delays in submitting your paperwork may result in the need to delay your phased retirement start date or cause you to receive your first annuity payment later than expected.

### **Step 8 – How will my period of phased retirement end?**

When you entered phased retirement, you agreed to enter full retirement at the end of the approved period; the ending date is established by your Phased Retirement Agreement. On or before this date, you must either fully retire or return to regular (non-phased) employment if approved to do so.

#### **Transitioning to Full Retirement**

- At least 60 calendar days before the end of your approved phased retirement period (or your chosen earlier full retirement date), submit a Reservation to Retire via the [HR Service Center](#).
- The NSSC Retirement Counselor will advise and assist you in preparing required forms.
- If you do not complete the required forms and have not returned to regular employment at NASA or another agency within 3 calendar days after the end date of your phased retirement period, **you will be considered voluntarily retired and separated from NASA on that basis**. You will then have to apply directly to OPM to receive your full retirement annuity.

#### **Return to Regular (non-phased) Employment**

- Return of a phased retiree to regular employment is expected to be rare unless the employee is selected for a vacant position through the normal hiring process (e.g., a vacancy announcement).
- If you have not been selected for a vacant position, but wish to return to regular employment:
  - Submit a written request through your immediate supervisor to the Phased Retirement POC in your Center HR Office.
  - You may submit such a request at any time. If doing so near the end of your phased retirement period, you should submit it at least 90 calendar days before the end date.
  - If your request is disapproved, you may not grieve this decision or appeal it to the Merit Systems Protection Board (MSPB).
- Return to regular employment must be effected before the end of the phased retirement period.
- If you return to regular employment, you may not re-elect phased retirement in the future.

### **Extension of Initial Phased Retirement Period**

- You may request an extension of your initial phased retirement time period, up to a total time of no more than 3 years. Your written request should be submitted no less than 60 calendar days before the end of the initial period.
- Your request must include the same content as an initial application for phased retirement. The same criteria for approval apply, along with management's assessment of your initial phased retirement period.
- An extension must be effected before the end date of the initial phased retirement period. A new Phased Retirement Agreement (or an addendum to the original) must be executed.
- If your request is disapproved, you may not grieve this decision or appeal it to MSPB.

### **Transferring to Another Federal Agency**

- If you are transferring to another Federal agency during your period of phased retirement, you may either continue in phased retirement upon your transfer, with the approval of the gaining agency, or return to regular employment.
- Prior to the effective date of your transfer, you must complete Part 3 of SF 3116, Phased Employment/Phased Retirement Status Elections.
- Contact your Center POC for assistance.



**APPENDIX A – ACRONYMS AND ABBREVIATIONS**

Acronyms that are used in this guide are identified upon first use in this document. Thereafter, the acronym is used. In cases where the first or only instance of the use of an acronym is in a table or graphic, it may not be spelled out on first reference. Since many acronyms and abbreviations have multiple meanings, the following list includes those used in this guide and the applicable meaning:

<b>ACRONYM/ ABBREVIATION</b>	<b>MEANING</b>
COLA	Cost of Living Adjustment
CSRS	Civil Service Retirement System
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees Retirement System
FLTCIP	Federal Long Term Care Insurance Program
FSAFEDS	Federal Flexible Spending Account
GS	General Schedule
HR	Human Resources
MRA	Minimum Retirement Age
MSPB	Merit Systems Protection Board
NASA	National Aeronautics and Space Administration
NEBA	NASA Employees Benefit Association
NSSC	NASA Shared Services Center
OGC	Office of General Counsel
OPM	Office of Personnel Management
POC	Point of Contact
SES	Senior Executive Service
SF	Standard Form
TSP	Thrift Savings Plan

**APPENDIX B – PHASED RETIREMENT INCOME SAMPLES – FERS**

The charts in this appendix are provided as samples for different salaries. If you would like to review them in Excel, please visit the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>.

FERS Phased Retirement Monthly Comparison High-3 Average Salary of \$50,000					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>FERS ANNUITY</b>	Unreduced Monthly FERS Annuity	\$666.67	\$1,388.22	\$1,347.22	\$1,430.56
	Maximum Survivor Annuity		(\$138.82)	(\$134.72)	(\$143.06)
	Federal Tax	(\$113.00)	(\$120.00)	(\$115.00)	(\$126.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$16.90)	(\$16.90)	(\$16.90)	(\$16.90)
	Retiree Annuity Supplement (payable until age 62)		\$1,145.00	\$1,082.00	\$1,146.00
<b>NASA SALARY</b>	NASA Salary	\$2,083.33			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$356.00)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$1,801.93	\$1,795.33	\$1,700.43	\$1,828.43
<b>TSP OPTION</b>			<b>Total After 2 Years in a Phased Retirement Status</b>	<b>TSP Balance at the Date of Retirement</b>	<b>Total After 2 Years of Regular Employment</b>
	Contributions	Monthly Amount			
	Employee (5%)	\$104	\$2,500	No Contributions	\$5,000
	Agency Matching	\$104	\$2,500	Allowed After Retirement	\$5,000
	<b>Totals</b>	\$208	\$5,000		\$10,000
<p><b>NOTES:</b></p> <p><b>Retiree Annuity Supplement:</b> If you become employed after you retire, your Retiree Annuity Supplement will reduce by \$1.00 for every \$2.00 you earn over the social security maximum earnings limitation.</p> <p><b>TSP Contributions:</b> While in a phased retirement status, NASA continues making Agency Matching Contributions into your TSP. You may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.</p> <p><b>TSP Withdrawals:</b> When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.</p> <p><b>Assumptions Used in Estimate:</b> Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.</p> <p><b>FERS Monthly Annuity Computation:</b> If you fully retire after reaching age 62 and have at least 20 years of Service, you will receive 1.1% of your high-3 average salary for each year of Service.</p> <p><b>Cost of Living Increase (COLA):</b> No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.</p>					

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**Phased Retirement Employee Guide – Version 2**

<b>FERS Phased Retirement Monthly Comparison</b>					
<b>High-3 Average Salary of \$100,000</b>					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>FERS ANNUITY</b>	Unreduced Monthly FERS Annuity	\$1,333.33	\$2,777.44	\$2,694.44	\$2,861.11
	Maximum Survivor Annuity		(\$277.74)	(\$269.44)	(\$286.11)
	Federal Tax	(\$293.00)	(\$308.00)	(\$297.00)	(\$319.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$33.15)	(\$33.15)	(\$33.15)	(\$33.15)
	Retiree Annuity Supplement (payable until age 62)		\$1,421.00	\$1,344.00	\$1,436.00
<b>NASA SALARY</b>	NASA Salary	\$4,166.67			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$814.99)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$3,896.69	\$3,117.38	\$2,976.68	\$3,196.68
<b>TSP OPTION</b>			<b>Total After 2 Years in a Phased Retirement Status</b>	<b>TSP Balance at the Date of Retirement</b>	<b>Total After 2 Years of Regular Employment</b>
	Contributions	Monthly Amount			
	Employee (5%)	\$208	\$5,000	No Contributions	\$10,000
	Agency Matching	\$208	\$5,000	Allowed After Retirement	\$10,000
	<b>Totals</b>	\$416	\$10,000		\$20,000
<p><b>NOTES:</b></p> <p><b>Retiree Annuity Supplement:</b> If you become employed after you retire, your Retiree Annuity Supplement will reduce by \$1.00 for every \$2.00 you earn over the social security maximum earnings limitation.</p> <p><b>TSP Contributions:</b> While in a phased retirement status, NASA continues making Agency Matching Contributions into your TSP. You may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.</p> <p><b>TSP Withdrawals:</b> When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.</p> <p><b>Assumptions Used in Estimate:</b> Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.</p> <p><b>FERS Monthly Annuity Computation:</b> If you fully retire after reaching age 62 and have at least 20 years of Service, you will receive 1.1% of your high-3 average salary for each year of Service.</p> <p><b>Cost of Living Increase (COLA):</b> No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.</p>					

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<b>FERS Phased Retirement Monthly Comparison</b>					
<b>High-3 Average Salary of \$150,000</b>					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>FERS ANNUITY</b>	Unreduced Monthly FERS Annuity	\$2,000.00	\$4,166.67	\$4,041.67	\$4,291.67
	Maximum Survivor Annuity		(\$416.67)	(\$404.17)	(\$429.17)
	Federal Tax	(\$502.00)	(\$539.00)	(\$511.00)	(\$567.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$49.40)	(\$49.40)	(\$49.40)	(\$49.40)
	Retiree Annuity Supplement (payable until age 62)		\$1,592.00	\$1,511.00	\$1,611.00
<b>NASA SALARY</b>	NASA Salary	\$6,250.00			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$1,273.32)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$5,963.11	\$4,291.43	\$4,125.93	\$4,394.93
<b>TSP OPTION</b>			<b>Total After 2 Years in a Phased Retirement Status</b>	<b>TSP Balance at the Date of Retirement</b>	<b>Total After 2 Years of Regular Employment</b>
	Contributions	Monthly Amount			
	Employee (5%)	\$313	\$7,500	No Contributions	\$15,000
	Agency Matching	\$313	\$7,500	Allowed After Retirement	\$15,000
	<b>Totals</b>	\$626	\$15,000		\$30,000
<b>NOTES:</b>					
<b>Retiree Annuity Supplement:</b> If you become employed after you retire, your Retiree Annuity Supplement will reduce by \$1.00 for every \$2.00 you earn over the social security maximum earnings limitation.					
<b>TSP Contributions:</b> While in a phased retirement status, NASA continues making Agency Matching Contributions into your TSP. You may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.					
<b>TSP Withdrawals:</b> When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.					
<b>Assumptions Used in Estimate:</b> Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.					
<b>FERS Monthly Annuity Computation:</b> If you fully retire after reaching age 62 and have at least 20 years of Service, you will receive 1.1% of your high-3 average salary for each year of Service.					
<b>Cost of Living Increase (COLA):</b> No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.					

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**APPENDIX C – PHASED RETIREMENT INCOME SAMPLES – CSRS**

The charts in this appendix are provided as samples for different salaries. If you would like to review them in Excel, please visit the NSSC Phased Retirement Web page at <https://www.nssc.nasa.gov/phasedretirement>.

CSRS Phased Retirement Monthly Comparison High-3 Average Salary of \$50,000					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>CSRS ANNUITY</b>	Unreduced Monthly CSRS Annuity	\$1,255.21	\$2,640.32	\$2,538.19	\$2,704.86
	Maximum Survivor Annuity		(\$241.53)	(\$231.32)	(\$247.99)
	Federal Tax	(\$275.00)	(\$292.00)	(\$279.00)	(\$301.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$16.90)	(\$16.90)	(\$16.90)	(\$16.90)
<b>NASA SALARY</b>	NASA Salary	\$2,083.33			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$356.00)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$2,228.47	\$1,627.72	\$1,548.80	\$1,676.80

**NOTES:**

**TSP Contributions:** While in a phased retirement status, you may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.

**TSP Withdrawals:** When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.

**Assumptions Used in Estimate:** Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.

**Cost of Living Increase (COLA):** No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.

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CSRS Phased Retirement Monthly Comparison High-3 Average Salary of \$100,000					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>CSRS ANNUITY</b>	Unreduced Monthly CSRS Annuity	\$2,510.42	\$5,281.64	\$5,076.39	\$5,409.72
	Maximum Survivor Annuity		(\$505.66)	(\$485.14)	(\$518.47)
	Federal Tax	(\$737.00)	(\$795.00)	(\$749.00)	(\$824.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$33.15)	(\$33.15)	(\$33.15)	(\$33.15)
<b>NASA SALARY</b>	NASA Salary	\$4,166.67			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$814.99)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$4,629.78	\$3,485.66	\$3,346.93	\$3,571.93

**NOTES:**

**TSP Contributions:** While in a phased retirement status, you may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.

**TSP Withdrawals:** When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.

**Assumptions Used in Estimate:** Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.

**Cost of Living Increase (COLA):** No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.

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<b>CSRS Phased Retirement Monthly Comparison</b>					
<b>High-3 Average Salary of \$150,000</b>					
	Income and Deductions	Elect Phased Retirement		Do Not Elect Phased Retirement	
		Enter Phased Retirement (32 Years of Service)	Fully Retire After 2 Years in Phased Retirement (34 Years of Service)	Optional Retirement (32 Years of Service)	Optional Retirement (34 Years of Service)
<b>CSRS ANNUITY</b>	Unreduced Monthly CSRS Annuity	\$3,765.63	\$7,921.96	\$7,614.58	\$8,114.58
	Maximum Survivor Annuity		(\$769.70)	(\$738.96)	(\$788.96)
	Federal Tax	(\$1,302.00)	(\$1,390.00)	(\$1,320.00)	(\$1,433.00)
	FEHB Premium (post-tax)		(\$462.17)	(\$462.17)	(\$462.17)
	FEGLI Premium	(\$49.40)	(\$49.40)	(\$49.40)	(\$49.40)
<b>NASA SALARY</b>	NASA Salary	\$6,250.00			
	FEHB Premium (pre-tax)	(\$462.17)			
	Federal and Social Security Tax	(\$1,273.32)			
	TSP Contributions	(Potential deduction based on your contribution. See TSP Option below.)			
<b>Total Monthly Income</b>		\$6,928.74	\$5,250.69	\$5,044.05	\$5,381.05

**NOTES:**

**TSP Contributions:** While in a phased retirement status, you may contribute or increase contributions regardless of prior participation, up to the maximum Federal guidelines. Employee contributions while working are deducted from your paycheck, and will affect the total monthly income as a phased retiree.

**TSP Withdrawals:** When you elect to enter full retirement, you will be eligible to withdraw money from your TSP account. Upon reaching age 59 ½, you may be eligible to take an age-based in-service withdrawal or transfer/rollover your TSP account to another IRA, which would allow you to begin drawing monthly payments from that IRA.

**Assumptions Used in Estimate:** Sick leave balance of 700 hours, 75% reduction in Basic FEGLI coverage, Blue Cross Blue Shield health plan code 105, Federal tax withholding of single with 0 exemptions, and State and Local taxes are not included.

**Cost of Living Increase (COLA):** No COLAs were included for salary adjustments; however, future annual COLAs of 1.7% were used in computing the monthly phased retirement annuity.

If you have any questions concerning this document, please contact:

**NSSC Customer Contact Center**

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