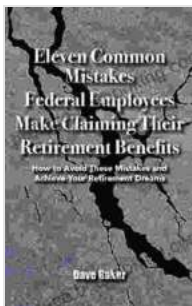


11 Common Mistakes Federal Employees Make Claiming Retirement Benefits

Retirement should be a time to relax, enjoy the fruits of your labor, and pursue your passions. However, for federal employees, claiming retirement benefits can be a complex and confusing process. If you're not careful, you could make costly mistakes that could jeopardize your financial security.

To help you avoid these mistakes, we've compiled a list of the 11 most common pitfalls that federal employees make when claiming their retirement benefits.



Eleven Common Mistakes Federal Employees Make Claiming Their Retirement Benefits: How to Avoid These Mistakes and Achieve Your Retirement Dreams

by Gregory Zuckerman

★★★★☆ 4.6 out of 5

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Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 64 pages



Mistake #1: Not planning ahead

One of the biggest mistakes you can make is not planning ahead for retirement. The earlier you start planning, the more time you'll have to

make informed decisions about your benefits. You should start planning for retirement as soon as you start working as a federal employee.

There are a number of things you can do to plan for retirement, such as:

- Estimate your retirement income
- Create a retirement budget
- Invest for retirement
- Meet with a financial advisor

Mistake #2: Not understanding your benefits

It's important to understand your retirement benefits before you claim them. This includes understanding the different types of benefits available to you, the eligibility requirements for each benefit, and the amount of benefits you can expect to receive.

You can learn about your benefits by reading the Federal Employees Retirement System (FERS) Handbook or by talking to a benefits counselor.

Mistake #3: Not claiming your benefits on time

You must claim your retirement benefits within 30 days of reaching your retirement age. If you don't claim your benefits on time, you could lose out on valuable benefits.

To claim your benefits, you must complete an application and submit it to the Office of Personnel Management (OPM).

Mistake #4: Not taking into account taxes

Your retirement benefits are subject to federal and state taxes. It's important to take this into account when planning for retirement. You may need to adjust your retirement budget to account for the taxes that will be taken out of your benefits.

You can use the IRS's Retirement Tax Calculator to estimate the taxes that will be taken out of your benefits.

Mistake #5: Not having a beneficiary

If you die before you start receiving your retirement benefits, your benefits will be paid to your beneficiary. It's important to have a beneficiary named so that your benefits don't go to the government.

You can name a beneficiary by completing a beneficiary designation form and submitting it to OPM.

Mistake #6: Not understanding the different types of retirement benefits

There are three main types of retirement benefits available to federal employees: a pension, a Thrift Savings Plan (TSP), and a Federal Employees Health Benefits (FEHB) plan.

Each type of benefit has its own set of eligibility requirements and benefits. It's important to understand the different types of benefits available to you so that you can choose the benefits that are right for you.

Mistake #7: Not withdrawing your TSP funds wisely

When you retire, you have the option of withdrawing your TSP funds in a lump sum or in monthly installments. If you withdraw your funds in a lump

sum, you could be subject to a 10% penalty if you are under age 59½. It's important to plan for how you will withdraw your TSP funds so that you can avoid this penalty.

You can learn more about withdrawing your TSP funds by visiting the TSP website.

Mistake #8: Not continuing health insurance coverage

When you retire, you must continue health insurance coverage on your own. If you don't, you could be subject to a penalty. There are a number of ways to continue health insurance coverage, such as:

- Enroll in a Medicare plan
- Enroll in a FEHB plan
- Enroll in a private health insurance plan

Mistake #9: Not planning for long-term care

As you get older, you may need long-term care. Long-term care can be expensive, so it's important to plan for it. There are a number of ways to plan for long-term care, such as:

- Free Download long-term care insurance
- Save money for long-term care
- Make arrangements with family or friends to provide care

Mistake #10: Not reviewing your benefits annually

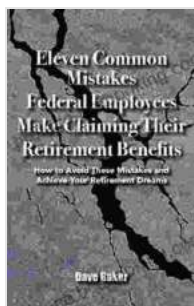
Your retirement benefits should be reviewed annually. This will help you ensure that your benefits are up to date and that you are receiving the correct amount of benefits.

You can review your benefits by logging into your My Account on the OPM website.

Mistake #11: Not seeking professional help

If you are having difficulty understanding your retirement benefits or if you need help planning for retirement, you should seek professional help. A financial advisor or benefits counselor can help you make informed decisions about your retirement benefits.

By avoiding these common mistakes, you can help ensure that you have a secure and comfortable retirement.



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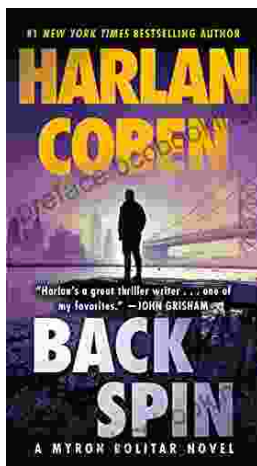
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