

The Federal Employee 411

3RD QUARTER NEWSLETTER 2015



FEDERAL EMPLOYEE BENEFITS
Serving Civil Service and Military Members

Wish for Our Heroes Gives Thanks

By Richard Ure

In This Issue:

Wish for Our Heroes Gives Thanks

Withdraw Early With No Penalty

FERS Supplement Equation

Benefits Seminar
September 10, 2015

Roth TSP vs. Traditional TSP

About Us

Wish for Our Heroes (W4OH) is a CFC approved national 501(c)(3) organization that is dedicated to assisting the men and women of the United States active-duty military. Since its founding in 2010 by Jeff Wells, it has granted over 1700 wishes (totaling over \$8,000,000 dollars). Their average wish ranges from about \$200-\$1000. These can include anything from putting food on the table to assisting with car repairs, home repairs, baby supplies, clothing and moral boosters such as attending a WWE event. They also include frequent tickets to the Rodeo, Spurs basketball games, Rampage Hockey games, and Silver Stars basketball games.

Wish for Our Heroes wants to extend a special thanks to: **San Antonio Rodeo** who provided over 700 tickets to our military members and families, and the **Annual Shelby Cobra Race** in San Marcos Texas which allows our wounded military members to ride in the front seats around the track before the race.



From left to right: Richard Ure - W4OH volunteer, Kourtney Clemmons - Raffle Winner

WITHDRAW EARLY WITH NO PENALTY

by Brad Tobler

Tuesday May 12, 2015, the House passed a new legislation allowing **Federal Law Enforcement** officers and firefighters the opportunity to waive the IRS 10% early withdrawal penalty when withdrawing from TSP (H.R. 2146). In order to waive this IRS penalty, CSRS/FERS must be eligible to retire with no reductions or penalties. For Law Enforcement officers, that means being 50 years old with 20 years of paying into the CSRS/FERS law enforcement retirement.

Current tax law requires those who are not Law Enforcement and have a 401k, like TSP, to wait until they are at least age 59 1/2 to avoid this penalty (there are ways around this if you meet certain criteria).

This new change is a huge benefit for our law enforcement and firefighters; especially for those who retire before the age of 55. This will allow them to utilize their retirement savings without penalty.

The W4OH first quarter raffle was successful thanks to the participation of the **San Antonio Rodeo**, **The American Society of Military Comptrollers**, **The Shelby Cobra Race**, and generous donations from Civil Service members across **Joint Base San Antonio**. The raffle ran from March through April and successfully raised over \$2000. Wish for Our Heroes was pleased to find that the winner, Mr. Kourtney Clemmons, was also a wounded warrior and generous contributor. With W4OH's 4% expense ratio that's over \$1920 directly spent to help alleviate burdens on our military members and their families.

Visit <https://wishforourheroes.org> for more information.

FERS Supplement Equation

By Ron McLane

FERS employees retiring at the minimum retirement age (MRA) with at least 30 years of federal service (and at least one year under FERS) may be eligible for a special retirement supplement payable at retirement to age 62, at which time social security commences. The supplement uses a complex formula to estimate social security benefits earned under FERS.

Here is the simplest way to calculate potential benefit:

$$\frac{\text{Total \# years of FERS services} \\ - \text{military time}}{40} = \% \times \text{*Employees estimated SS benefits at age 62} = \text{Supplement paid at retirement to age 62}$$

For example:

$$\frac{35 \text{ years of FERS service} \\ - 4 \text{ years military time}}{40} = 31/40 = 0.775 \text{ (or 77.5\%)} \times \$1,593.00 \text{ monthly} = \$1,234.57 \text{ monthly supplement}$$

* The estimated social security benefit at age 62 can be found on your SS statement. Please contact us if you need help estimating your FERS supplement.

The supplement is not payable to employees who retire with a reduced or deferred pension. Employees subject to a reduction in-force (RIF) or involuntary retirement action who retire before age 55 to 57 will NOT receive the supplement until they reach the minimum retirement age (55 to 57). The supplement does not receive COLAS.

The minimum retirement age gradually increases from 55 to 57 for employees born after 1948. Employees born after 1970 cannot retire with full benefits until age 57 with 30 years of credible service.

Roth TSP vs. Traditional TSP

Excerpts from "Investor Bulletin: Roth TSP for Uniformed Services Members". investor.gov. posted 02/27/2015

"The Roth TSP, introduced in 2012, allows you to contribute after tax income to the TSP. *This allows the withdrawal of tax-free savings during retirement* (emphasis added). The traditional TSP allows you to contribute income from your paycheck before it is adjusted for taxes. Therefore, no federal taxes are paid on current contributions to the traditional TSP. However, you will pay taxes on your traditional TSP contributions and earnings when you withdraw the funds in retirement."

"Earnings on Roth TSP contributions are tax-free when a qualified withdrawal is made. To make a qualified withdrawal, the withdrawal must be made at least five years after the start of the year in which you made your first Roth TSP contribution and you must be at least age 59½, permanently disabled or deceased."

While calculators and simple analysis can help you determine whether the ROTH option is right for you, tsp.gov advises that "you should consult a qualified tax or financial advisor to further assess your individual situation."



FEDERAL EMPLOYEE BENEFITS
Serving Civil Service and Military Members

Come learn what you can do now to maximize your retirement.

**Attend the free seminar for FEDERAL EMPLOYEES
Thursday, September 10, 2015 @ 6:00pm**

16845 Blanco Road #104, San Antonio, TX 78232

Register online at www.federalemployeebenefits.com
or by calling Cindy at (210) 349-6987 Ext 1.

Spouses welcome. Sandwiches will be provided.

About Us

We are an Independent Federal Employee Benefits Group who follow the Federal Employee News Digest. Our expertise in the civil service industry, as well as active military has led us to a committed career with emphasis on coordinating government benefits and retirement planning.

Our organization has conducted civil service workshops at various locations including Randolph Air Force Base, Wilford Hall Hospital, Lackland Air Force Base, VA hospitals, Social Security Administration, Brooke Army Medical Center, Department of Labor, DCMA, DEA, FBI, FDA, FAA, USDA, IRS, GSA, SBA, HUD, Secret Service, CBP, TSA, Probation and the USPS.

We also conduct onsite and offsite briefings (TSP, CSRS/FERS Retirement and Disability) which are open to all employees, including military personnel from new hire to retirement eligible. There is no cost to have us provide these briefings to your staff.

We dedicate our efforts towards helping Civil Service and Military employees maximize their benefits amid the ever changing rules and regulations. This enables you to make better decisions about today's issues and tomorrow's retirement.

Our coordinators understand the importance of ensuring you have a complete understanding of your benefits and options associated with your financial situation. This allows you to choose the most appropriate decisions to achieve the greatest retirement benefits for you and your family.

Of all of our accomplishments and successes, we take greatest pride in our educational approach which allows employees to retire with dignity and, most importantly, peace of mind.

Our Benefit Coordinators



Ron McLane
rmclane@febenefits.com



Brad Tobler
btobler@febenefits.com

Office Location: 16845 Blanco Road, Suite 104, San Antonio, TX 78232

Contact Information: Phone: (210) 349-6987 Fax: (210) 547-0289

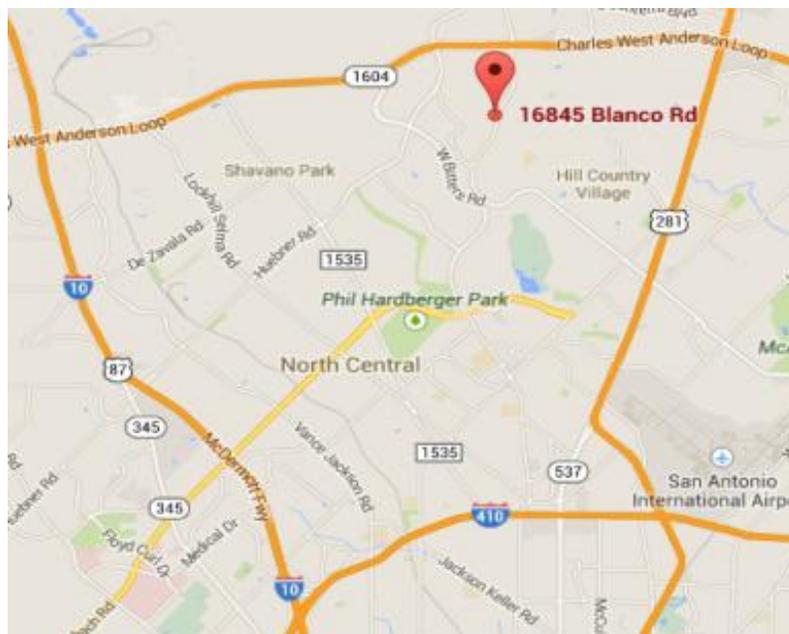
Email: newsletter@febenefits.com



Richard Ure
rure@febenefits.com



Matt Ure
mure@febenefits.com



Visit our website to request a personalized retirement packet or a one-on-one with a benefit coordinator.

www.federalemployeebenefits.com