

# SPEEDING THE RETIREMENT JOURNEY

BY DAVID TOBENKIN



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National Active and Retired  
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It's not often that a federal agency director issues a *mea culpa* under oath in which he admits to serious agency shortcomings in service to its major clientele base and pledges to do better.

But that is what occurred in February 2012, when Office of Personnel Management (OPM) Director John Berry testified before the Senate on the issue of the longstanding backlog of retirement annuity claims. "Current delays in retirement processing are unacceptable, and eliminating the current backlog is my highest priority for 2012," said Berry. NARFE President Joseph A. Beaudoin also testified at that Senate subcommittee hearing about the need to reduce the delays.

Since then, OPM has made considerable progress in expediting federal agency processing of a backlog of federal employees' retirement claims, though many say that room for improvement in certain aspects of retirement claims processing remains.

At a March 2012 meeting between Berry and Beaudoin, and their respective staffs, following the hearing, Berry again apologized for past delays and introduced key personnel who would lead efforts to improve processing results.

Berry promised sweeping changes to increase the rate at which retirement claims are processed and to eliminate a backlog of more than 60,000 unprocessed claims by July 2013. OPM also released a new Strategic Plan for Retirement Services that focused on expediting the processing of existing claims. The agency promised to boost its human resources staff and change procedures so that OPM staff who are adjudicating claims don't have to spend time developing information that is missing and, instead, can stay working on the case. And it issued lengthy checklists to agencies regarding needed documents.

## OPM ON TARGET TO MEETING MANY GOALS

Now, a little more than a year later, the numbers are in ... and it appears that OPM is on target to meet many of its goals for expediting the processing of retirement claims. OPM reduced unprocessed claims by more than 50 percent from 61,108 in January

2012 to 26,402 in December 2012, ahead of its schedule to reduce the backlog to 29,478 by that time. The agency has largely held to a goal of increasing the number of claims processed per month from 8,300 in the spring and early summer 2012 to 11,500 per month in subsequent months, with the exception of December 2012, when it fell to roughly 10,500 claims processed.

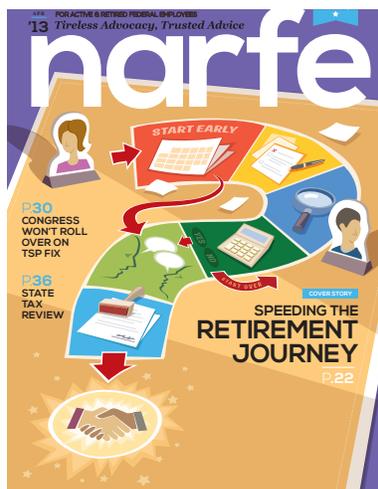
In January 2013, the increased pace of claims processing continued: The 12,527 claims processed by OPM in January 2013 were nearly one-third greater than the 8,749 claims processed in the same month a year earlier.

Berry also said in the Strategic Plan that, "It is our goal to eliminate the current backlog in 18 months so that 90 percent of retirees will receive their full annuity payments within 60 days

of retirement by July 2013."

"We have every expectation that we will meet that goal, based on previous known applications for retirement projections," said Kenneth J. Zawodny Jr., OPM's associate director of retirement services, in a written statement. "Currently, all annuitants are placed into Interim Payments within seven days after receipt of the necessary information from agencies, and the average processing time to receive finalization of new cases is 110 days."

"They have done what they said they would do



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and have adhered to the strategic plan that they announced,” says David Snell, director of NARFE’s Federal Benefits Service Department. “They’ve definitely made a lot of headway in this area.”

A congressman with many federal employees and retirees in his district also praised Berry’s efforts. “I think OPM Director John Berry should be commended for recognizing the severity of the retirement claims backlog crisis, diligently incorporating lessons learned from past failures and making steady progress implementing a serious strategic plan that has OPM on track to finally eliminate a problem plaguing the agency for years,” said Rep. Gerald E. Connolly, D-VA, in a statement to *narfe* magazine.

### NARFE MEMBER EXPERIENCES VARY

Some *narfe* magazine readers who recently retired were pleased with OPM’s efforts. “I am happy to report that my experience with OPM was a good one,” says Debbie Sciamanda. “I retired as of July 1, 2012, and received my first partial annuity check August 1, 2012, with my full annuity check being received on November 1, 2012. I actually called OPM sometime in October wondering when I might receive my full annuity check, and they asked if it was a hardship for me not to receive it. I, of course, said that it was. Within two days, someone from OPM called me and started processing my expedited request. They graciously paid me the difference between my partial annuity and my full annuity immediately; and, by November 1, 2012, I received my full annuity.”

But some *narfe* magazine readers who recently filed claims expressed continuing frustration. “I found it very frustrating to deal with OPM,” says one federal employee who retired in December 2011 and requested anonymity. “The waits on hold were often at least half an hour. The quality of assistance was very uneven. Some staff were rude and unhelpful. A few went out of their way [to help], particularly the ones who ultimately resolved my FEHB [Federal Employees Health Benefits] issue (I changed plans at the time of retirement and couldn’t get my enrollment information forwarded to the new carrier). The Boyers [PA] office, which has one of my requests to see my annuity calculation, said that office had a two-and-a-half-month backlog on correspondence and hadn’t gotten my request yet. That was early December [2012], and I still have heard nothing [by mid-January 2013].”

Communications and accessibility of OPM personnel to assist claimants also remain a mixed bag, Snell and others say. Snell notes that getting a responsive employee at OPM is not easy, given the flood of people seeking assistance. Still, he says that email communications attempts by claim-



## It appears that OPM is on target to meet many of its goals ...

online claim tracking tool, Status Tracker, available through “Services Online” ([www.servicesonline.opm.gov/](http://www.servicesonline.opm.gov/)).

“They have changed their password-protected online services menu in a way that allows you, if you recently retired, to look online and see at what stage your claim is, whether your initial pay has started and whether it has been assigned to someone to work on,” says Snell.

While applauding OPM’s ability to whittle down the claims backlog, some retirement claims experts wonder if that will be sufficient as the wave of baby boomers moves into retirement, and the number of Federal Employees Retirement System (FERS) claimants, whose claims are generally more complex than those of Civil Service Retirement System (CSRS) claimants, increases. In particular, they note OPM’s unsuccessful previous attempts to expedite claims processing and reduce errors through automation.

Connolly, who is ranking member of the House subcommittee that oversees federal procurement and technology policy, says that the limited, incremental approach to addressing IT challenges contained in OPM’s Strategic Plan may be the best way to proceed, given past challenges.

“Ultimately, OPM needs to modernize its retirement systems; however, the agency must learn to walk before it runs,” says Connolly. “In today’s age of budget cuts, OPM simply cannot afford another IT debacle on the scale of a FERS Automated Processing System or RSM [Retirement Systems Modernization]. I support OPM’s decision to implement a modest IT Strategic Plan that emphasizes developing core competencies first.”

## AGENCIES SOMETIMES AT FAULT

But of course, the speed with which claims are processed also depends on agency efforts. In many cases, agencies are failing to meet the OPM claims submission target date of 30 days after retirement, and agency errors have slowed down subsequent OPM processing of retirement claims. In his testimony, Berry said that OPM's audits of retirement claims submitted by agencies yielded "troubling" results.

OPM subsequently established a graph showing the relative number of errors in processing paperwork of 19 different agencies for the period of August 2012 through December 2012. Governmentwide, it appears that 8-13 percent of CSRS or FERS new claims had errors on a monthly basis at those agencies with at least 15 claims processed during an October 2012 audit period, before jumping to 18 percent in the busier claims month of January 2013.

"To help improve on all errors, we do outreach through agency benefits officers, and we've provided information and training on application preparation," Zawodny said.

In addition to the performance of agencies and OPM, a third aspect of the challenge of expediting claims are the actions of federal employees in preparing their retirement claims, with some saying that federal workers are often their own worst enemies in ensuring that their claims applications are processed in a timely manner. See our story on p. 26 and additional NARFE website content that examine what federal employees can do to be their own best friends in expediting the processing of their retirement papers.

# MAKING THE RIGHT MOVES



Federal employees themselves play a vital role in helping to ensure that their federal retirement claims get to the finish line as quickly as possible. To help them prepare for this process, the Office of Personnel Management (OPM) developed a checklist to highlight some of the most important documents and information that they need.

In a March 2012 meeting with NARFE

President Joseph A. Beaudoin and NARFE staff, OPM Director John Berry emphasized the role of employees in expediting retirement claims processing by getting their files right. "No one knows their file better than the employee," Berry pointed out. At

## The biggest piece of advice is to start early ...



that meeting, Berry noted that OPM was preparing a checklist for employees, and NARFE pledged to publish it in *narfe* magazine and on the NARFE website.

OPM's checklist appears on p. 27. It also may be found at [www.narfe.org/federalbenefits](http://www.narfe.org/federalbenefits), along with additional OPM guidance.

Beyond these tips and documents, here are some additional general suggestions that consultants and others say can help expedite the processing of retirement claims and get you to the finish line faster.

### START YOUR PLANNING EARLY

The first, nearly all agree, is to start early enough. "The biggest piece of advice is to start early and to carefully review the documents to make sure you understand them," says Joyce Pieritz, service officer of NARFE Chapter 1270 in Woodbridge, VA, and a former human resources employee for more than 25 years at nine different agencies. "I also recommend they review their Official Personnel Folders at least a year prior to retirement to ensure that all service is accounted for." She and other retirement claims experts say that federal employees should take advantage, early and often, of training offered by their agencies on the retirement process.

"Many employees seem to think of retirement as a date way off into the distance, and that they will have plenty of time to take care of everything. Then before they know it, 30-plus years have gone by, and they are sitting down with a retirement counselor discussing their annuity estimate," said Margie Bishop, until recently a retirement counselor at the National Geospatial-Intelligence Agency, and John Zimmermann, supervisory human resources benefits specialist at the same agency, in a written response to a query about retirement claims processing.

"The same is true for those wishing to make a



military or civilian deposit. Many wait to take any action until right before they retire,” said Bishop and Zimmermann. “The deposit processes take a long time, and it is to the employee’s advantage to make them well ahead of their retirement date. Although they can make those deposits post-retirement, it will definitely cause a delay in the processing of their retirement package and receipt of their final annuity.”

Employment at multiple agencies, breaks in service, transfers, changes from the Civil Service Retirement System to the Federal Employees Retirement System, different types of appointments (e.g., seasonal, part time, full time), and divorces and other legal issues will increase the amount of documentation required, the potential for errors to creep in and the amount of time it likely will take to prepare the claim. Claimants with complicated claims should start planning ahead and may wish to ask for processing of their claim by a more experienced human resources officer.

### TAKE CHARGE OF THE PROCESS

Second, Pieritz and others say that federal employees need to take charge of the retirement claims process. “You can ask for any document in your personnel folder, and you should keep your own personal file,” says Tammy Flanagan, senior benefits director at the National Institute of Transition Planning, Inc., a Rockville, MD-based provider of seminars on benefits for federal employees. “More recently, agencies have created electronic personnel folders, but you should double-check them. Older records were on paper and had to be scanned in. I saw a recent case where something was dropped off when it was scanned in – there was only the name and Social Security number – nothing was captured. He had to rely on his own records that he fortunately had saved.”

Employees also should ask for a copy of the retire-

ment package submitted by their agency to OPM. This will be essential to ensuring clear communications with OPM personnel working on their claims in the event there are questions, as OPM personnel will be working off that document, Flanagan says.

Another clear requirement is paying attention to detail in filling out the claims application form. “Some employees will skip a section of the application where it says what type of benefits you want, such as benefits to survivors,” says Flanagan, who also is a former retirement specialist at the FBI. “If that is not filled out, OPM returns it, and you have to fill it out before they will process it. This applies even if you are single.”

NARFE chapter service officers also can be a key source of support, though sometimes NARFE members will have to look outside of their particular chapter for help, says Pieritz, as not every chapter has a service officer, and not every service officer has a background in benefits. “Some are learning as they go, and sometimes problems crop up where they, too, don’t have the depth of knowledge,” she says. “Every state federation within NARFE has a service officer, and they can be a resource for the chapter service officer or chapter member. They, too, have varying levels of knowledge. If all else fails, chapter and state service officers can contact NARFE Headquarters, where there are staff members who can liaison with OPM and who can find out things for us.” *narfe* magazine’s “Questions & Answers” section also includes answers to some commonly asked questions.

### PROVIDE COMPLETE AND ACCURATE INFORMATION

It also is important that retiring federal employees give accurate contact information to OPM with their initial claim and provide updates in the event of subsequent moves. This allows OPM to follow up in the event the agency needs additional information, Flanagan says.

Retiring federal employees also should check the work of others, including that of staff at their own agencies and OPM. As the accompanying story on the current state of the retirement claims backlog at OPM makes clear, a significant percentage of agency retirement submissions include errors. **■**

—DAVID TOBENKIN IS A FREELANCE WRITER BASED IN THE WASHINGTON, DC, AREA.



# OPM'S RETIREMENT CHECKLIST

The Office of Personnel Management supplied *narfe* magazine with the checklist below to assist federal employees preparing retirement claims. There also is important additional information from OPM related to this list on the NARFE website at [www.narfe.org/federal benefits](http://www.narfe.org/federal benefits).

## CSRS Employees

- Service information such as:
  - Complete Individual Retirement Records (IRR) for covered service
  - Federal Insurance Compensation Act (FICA) earnings or pay rates, including Executive Order (EO) adjustments
  - Intermittent/WAE (While Actually Employed) hours or days worked
  - Part-time hours worked
  - Five years of congressional service or court-ordered award, when applicable

- Health Benefit and Life Insurance information such as:
  - Proof of five years' health benefits coverage
  - Health benefit waiver of five years for Discontinued Service Retirement (DSR) or Early Out
  - Health benefit code
  - Proof of five years' life insurance coverage
  - Required signatures and accuracy on Standard Forms 2821, 2818 and designation forms

- Application including:
  - Required signatures on Standard Form 2801
  - Annuitant election and spousal consent agreement
  - Spousal consent signed and notarized on the same date
  - Former spouse with court-awarded benefit, when applicable

- When applicable, military information such as:
  - DD-214s noting character of service or military orders

- Post-56 Military Deposit IRR paid in full
- Social Security Administration verification if Post-56 Military Deposit is not paid and within three months of age 62 or older
- Offset information, when applicable, such as:
  - Health Benefits Premium Conversion (HBPC) breakdown for offset service beginning with calendar year 2004
  - Offset amount received for offset cases age 62 or older

- Other miscellaneous information, when applicable, such as:
  - Early-out authorization number
  - Agency certification for special retirement programs, such as air traffic controllers (ATC), law enforcement officers (LEO), firefighters, nuclear material couriers, customs and border protection officers (CBPO)
  - ATC: Retirement Standard Form 50

## FERS Employees

- Service information such as:
  - Complete Individual Retirement Records (IRR) for covered service
  - Federal Insurance Compensation Act (FICA) earnings or pay rates, including Executive Order (EO) adjustments
  - Intermittent/WAE (While Actually Employed) hours or days worked
  - Part-time hours worked
  - Five years of congressional service or court-ordered award, when applicable

- Health Benefit and Life Insurance information such as:
  - Proof of five years' health benefits coverage
  - Health benefit waiver of five years for Discontinued Service Retirement (DSR) or Early Out
  - Health benefit code
  - Proof of five years' life insurance coverage
  - Required signatures and accuracy on Standard Forms 2821, 2818 and designation of beneficiary forms

- Application including:
  - Required signatures on Standard Forms 3107, 3107-2
  - Annuitant election and spousal consent agreement
  - Spousal consent signed and notarized on the same date
  - Former spouse with court-awarded benefit, when applicable

- When applicable, military information such as:
  - DD-214s noting character of service or military orders
  - Post-56 Military deposit IRR paid in full

- Other miscellaneous information, when applicable, such as:
  - Early-out authorization number
  - Agency certification for special retirement plans for air traffic controllers (ATC), law enforcement officers (LEO), firefighters, nuclear material couriers, and customs and border protection officers (CBPO)
  - ATC: Retirement Standard Form 50



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