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## Military Deposits, Retire EZ, Travel, & TSP Changes

*by Dennis V. Damp, Retired FAA*

### FEATURING:

- **Military Deposit** Issue
- **Retire Easy** - OPM Update
- **Retirement Travel** - A Great Way to See the USA
- **TSP Changes** - Easy Does It!

### Military Deposits

Don't lose track of your [military time buyback](#). John wrote that he is in FERs and his base is offering an early out. He paid back his military time through monthly payments in the mid 1980s. However, he worked at several military installations that have since closed and his current HR office has not been able to locate his military payback documentation. He also contacted payroll and they were not able to help.

I told John that I kept a copy of the [SF 2803 Application to Make Deposit or Redeposit](#) that I submitted in 1987 to pay back my military time. I had to attach a copy of my DD Form 214 and send it to the Air Force Accounting Office. The Air Force replied with my total pay and HR determined what I had to pay back. I paid back the total owed over several years. I advised John to locate a copy of his pay stub from the agency that he was working with at the time he paid it off. My FAA pay stubs show the total military payment and a balance due of zero. Fax a copy of your old pay stub to your HR retirement specialist and have your Official Personnel File (OPF) updated. I kept a copy of the last pay period pay stub with each year's federal income tax. You may have a copy with your tax records that shows the deposit.

I also suggested that he ask his personnel office to contact other agencies that he previously worked with to obtain this information. I would also request a search of his Official Personnel File to locate this information. I understand that many agencies have automated their OPF files so you may be able to access your OPF online.

If you paid back your military time make sure your total military payment and balance due is annotated on your current pay stub. Without this documentation your federal annuity will be reduced at age 62, if you are eligible for Social Security. If you are eligible, your annuity will be recomputed to eliminate all credit for post-1956 military service. Visit

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<http://federaljobs.net/retire/militarybuyback.htm> for complete details.

### **Retire Easy** - OPM Automates Retirement (Test Program)

On February 25, 2008, OPM began the rollout of RetireEZ. Approximately 26,000 employees in agencies serviced by the General Services Administration's (GSA) payroll processing center are now covered under the new system. The initial test agencies include OPM, GSA, the National Archives and Records Administration, and the Railroad Retirement Board. Subsequent rollouts will cover the remainder of the Executive Branch, the U.S. Postal Service and the Legislative and Judicial Branches.

OPM is paying full retirement benefits at the payment commencement date. No longer are retirees under the new system receiving interim payments and waiting for months until their actual payment amounts are calculated. OPM converted millions of paper records to automated data that underlies the modernization. New retirees under the RetireEZ program are receiving better service. Tammy Flanagan describes the pros and cons of the RetireEZ system in her April 11<sup>th</sup> column that is linked below.

Additional Articles and Guidance for Retire EZ:

[Tammy Flanagan's Government Executive Article](#)  
[OPM Official RetireEZ Introduction](#)

### **Retirement Travel**

You've worked hard to prepare for retirement. Your financial life is in order. So now what are you going to DO in your retirement? For many boomers, it is all about travel, volunteering, the grandkids and "the good life." Travel can be rewarding if you prepare and plan your trips. It seems easy enough; select a destination, book a flight and bon voyage! It isn't quite that easy and I speak from experience, traveling all over the US and in Germany.

Phil and Carol White have developed a keynote talk especially for retiring Federal employees who are contemplating extended travel as one option. This fast-paced seminar is perfect for your lunch break, retirement seminars or morning kick-off meeting offering lots of practical tips, humor and advice. The Whites discuss everything you'll need to know – from budgeting, to what to do with your house, to leaving your friends/family, – and much more.

The Whites are frequent guest speakers, having spoken at conventions such as the National AARP Life @ 50+, The Great North American RV Rally, AAA-Oregon and many more in conjunction with their award-winning, best-selling book, Live Your Road Trip

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Dream, RLI Press 2008 [www.roadtripdream.com](http://www.roadtripdream.com)).

If your agency is scheduling a retirement seminar they might want to invite Carol and Phil White to their event, especially if you are on the West Coast or at least visit their web site. They are the authors of *Live Your Road Trip Dream; Travel for a year for the cost of staying home*. Nancy Holston is going on a road trip for the first time in a motor home this fall and she is going to review this title for our [Book Review](#) section.

For more information on how to book them for your next seminar, email Carol at [carol@roadtripdream.com](mailto:carol@roadtripdream.com) or call them at 888 522-8747.

### TSP Changes - Easy Does It

TSP fund participants are now limited to two interfund transfers per month. Last year it became clear that a few thousand of the 3.9 million Thrift Savings Plan (TSP) participants were making frequent interfund transfer (IFT) requests. Because this activity was clearly accelerating, and in light of the detrimental effect on fund performance and transaction costs, the Agency implemented limits on interfund transfers.

The Agency published a [final regulation](#) that takes effect Thursday, May 1, 2008. The regulation will limit the number of unrestricted interfund transfer requests to **two per month**. After a participant has made two interfund transfers in a calendar month, the participant may make additional interfund transfers only into the G Fund until the next calendar month. For more information about this change, see the [Questions and Answers](#) on this topic.

Most if not all private sector fund families have trading limits because of the additional costs incurred with frequent trading. For example, at Vanguard Funds you can't trade back into a fund you just sold in a retirement account for 60 days except for money market funds. Other restrictions include an early redemption fee of 1% or more on many mutual funds if you don't hold the fund for at least 30 days. At Fidelity they have similar restrictions including early redemption fees on many funds that are sold within a 30 day period of up to 1% or more plus they limit you to what they call 4 round trips a year and issue a warning after two. For example, if you go in and out of a fund 2 times in a 90 day period you are locked out of any additional trading for a 85 day period.

If you want to day trade you would have to open a brokerage account and pay for each trade. The TSP is protecting all fund participants by limiting costs which increases our gains. Like they say, "there is no such thing as a FREE lunch."

Tammy Flanagan is the senior benefits director for [The National Institute of Transition Planning, Inc.](#) (NITP) which conducts federal retirement planning workshops and seminars. She has spent over 25 years helping federal employees take charge of their

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retirement by understanding their benefits. Retirement planning is critical and we all need professional experts like Tammy to provide the advise we all need to make the right decisions. Ms. Flanagan writes a retirement planning column for Government Executive Magazine and a list of her retirement planning articles is available at [http://www.nitpinc.com/gov\\_ex\\_archives.html](http://www.nitpinc.com/gov_ex_archives.html).

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