

## **IMPORTANT !:**

**The information contained in this slide presentation was presented on December 16-17, 2009, subsequent to these dates, the attached slides should be used for reference purposes and you are encouraged to access the web-site links of the applicable department to obtain the most current information.**

**The Office of Commissioned Corps Affairs,  
Food and Drug Administration.**



# Commissioned Corps

## Pre-Retirement Seminar

### Purpose

To provide Officers and Family members information on retirement programs, benefits and entitlements.

Note: *Retirement is a process NOT an event.*



## Pre-Retirement Topics

- THE PROCESS
- RETIRED PAY & TAXES
- SOCIAL SECURITY
- TRAVEL/SHIPMENT OF HHGs
- TRICARE MEDICAL
- TRICARE DENTAL
- SURVIVOR BENEFIT PLAN (SBP)
- DEATH BENEFIT
- VA BENEFITS



## **SOME REASONS TO RETIRE**

- PERSONAL
- FINANCIAL
- MEDICAL
- MANDATORY
- JUST BECAUSE.....



## **FACTORS WHICH INFLUENCE RETIREMENT**

- NEW CAREER
- REACHED POTENTIAL IN PHS
- HEALTH
- FAMILY REASON





# THE RETIREMENT PROCESS

- RETIREMENT SEMINAR
- KNOW YOUR RETIREMENT PLAN
- COMMITTING TO RETIREMENT
- REQUEST RETIREMENT
- STAY RETIREMENT READY



## OTHER RETIREMENT CONSIDERATIONS

1<sup>st</sup> day of the month

- retirement date if for length-of-service
- any date for disability retirement

### Active Duty Service Obligation

- Medical special pay contract
- Education pay back time
- 10 years PHS time

### Requesting Retirement (no boards)

- apply within 60 days of retirement date or no more than 6 months out

Retiring on same day as AD pay raise  
(final pay only)



## **TYPES OF RETIREMENT**

- 20 Year
- 20 Year Involuntary
- 30 Year  
Voluntary/Retention
- Age 64
- Disability

## **Retirement ELIGIBILITY = ACTIVE DUTY TIME ONLY**

- Years of active service as a PHS  
Commissioned Officer
- Years of active service commissioned  
or enlisted in any uniformed service
- Civil service with PHS, when  
comparable to service performed  
by a commissioned officer - up  
to 5 years of such employment



## DIEMS

Date of Initial Entry to Military/Uniformed Service

- Retirement Plan Options
- **FINAL PAY** - on or before September 7, 1980
- **HIGH 3** - September 8, 1980 through July 31, 1986
- **CHOICE** - August 1, 1986 or later Members with a DIEMS date on or after August 1, 1986 may be eligible to receive the new Career Status Bonus (\$30,000.00).



## DIEMS EARLIEST DATE COULD BE WHEN YOU:

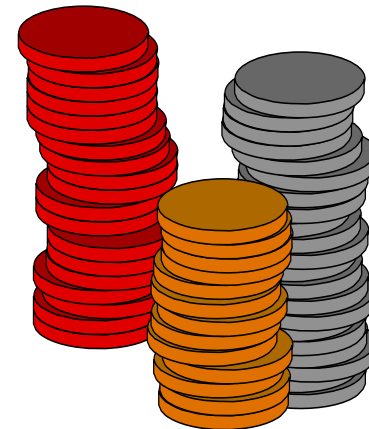
- Entered United States Military Academy  
Signed ROTC Scholarship Contract
- Began Senior ROTC Program (Advance Course)  
Signed Delayed Entry program for Active  
Service
- Signed Delayed Entry Program for Reserve  
Service
- Signed Oath of Office for Direct Commissioning  
Delayed Commissioning Program
- Student at Uniformed Service University of  
Health Sciences (USUHS)
- Armed Forces health Professions scholarship  
Program (HPSP)



**20 YEAR  
RETIREMENT**

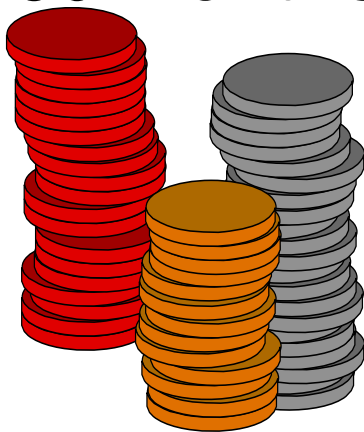


**50%  
Monthly Base Pay  
50% or 40%  
of high 36 months**





**HIGH 3 CHOICE**  
**50% or 40%**  
**Monthly Base Pay**  
**the average of high**  
**36 months**

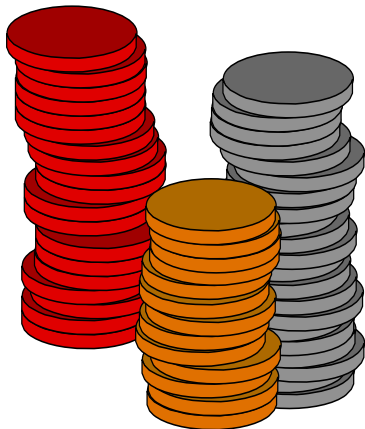


**30 YEAR**  
**RETIREMENT**

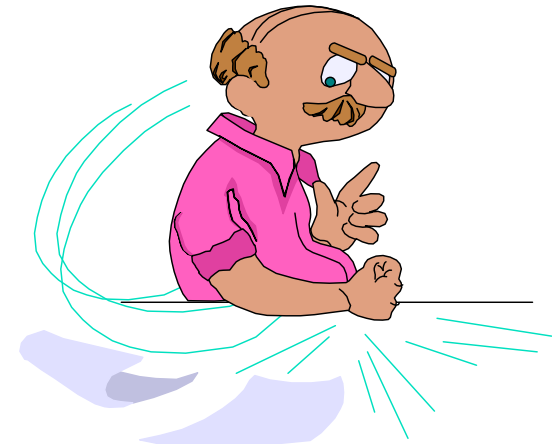


75%

**Monthly Base Pay  
Accrues at 2.5% per  
year**



**Involuntary  
Retirement**





## Retirement Eligibility

- Involuntary retirement may be authorized for a regular or reserve officer under the following conditions:
  - The officer has completed 20 or more, but less than 30 years of active duty service.
  - The officer has served at least 10 years of active duty commissioned service in the PHS



## Grounds for Involuntary Retirement

- Performance
- Conduct
- Reduction in Strength of CC
- No Suitable Assignment



## Involuntary Retirement Board



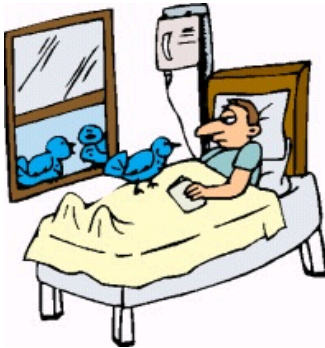
## Medical Disability Retirement





## Medical Disability Must Be:

- Incurred on Active Duty
- Not result of Misconduct



## Medical Branch Medical Review Board





## Medical Review Board Options

- Fit for Duty
- Fit for Limited Duty
- Unfit for Duty



### Advantages to Applying to VA for Service- Connected Disability

Even 0% rating documents health (\$\$ begins at 10%)

Tax-free VA payments (add'l \$\$ is paid to you for family members if you're rated 30% or more)

Lifetime reevaluations and appeals available from VA

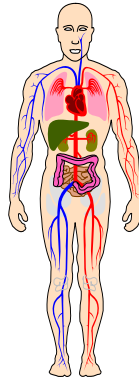
VA ID card expedites future VA care

Survivor annuity payable if your death is service-connected

\$10K (or \$30K) Service Disabled Veterans Insurance (SDVI) policy available to disabled

# VA Compensation for Service-Connected Disabilities

- **Disabilities are rated 0% to 100%**
- **2009 amounts: from \$123 (10%) to \$2932 (100%)**
  - **Independent of military rating**
  - **Free VA medical care for service-connected conditions**
- **Monthly payments**
  - **Begin at 10%**
  - **Tax free**
  - **Dependent allowance if rated 30% more VA**
  - **For most retirees, offsets retired pay \$-for-\$**



## Age Retirement

- An eligible officer may request for retirement without board permission
- An officer may retire on the first day of the month following the month in which the officer attains age 64
- Retired pay shall not be less than 50%
- ☒ Involuntary retirement of a commissioned officer because of age is NOT permitted

# Voluntary Retirement

- Must be effective the first day of the month
- 10 years of active commissioned service with PHS
- Physicians and Dentists must complete bonus pay contracts before the date of retirement



## No Retirement Board



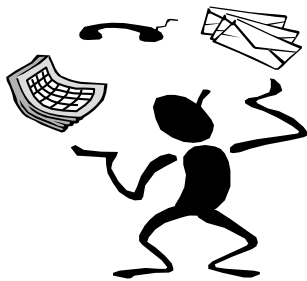
- **TIMING**
- **ROUTING**
- **BOARDS**

# **THE OFFICER'S REQUEST**

- OFFICER WRITE THE REQUEST
- SUPERVISOR CONCUR/NON-CONCUR
- PROGRAM HEAD CONCUR/NON-CONCUR
- AGENCY HEAD CONCUR/NON-CONCUR
- MUST BE IN THE RETIREMENT OFFICE 60 DAYS PRIOR TO RETIREMENT DATE ( A MINIMUM)
- RETIREMENT OFFICE

# GETTING READY TO RETIRE

- RETIREMENT PACKAGE



## Retirement Physical



- It is recommended that you get a retirement physical
- No more than 4 months, no less than 1 month, before retirement or transition leave
- Last record of active duty health
- Will assist with claim for VA service-connected disability



## Medical Records

- Belong to the Government
- Make a copy of your record
- Make a copy of family member records
- May be hard to obtain after retirement

## THINGS TO THINK ABOUT

- RETIREMENT FORMS
- TERMINAL LEAVE
- LUMP SUM LEAVE
- SURVIVOR BENEFIT PLAN
- HOME OF SELECTION
- LIFE INSURANCE
- HEALTH CARE INSURANCE
- RETIRED PAY
- INCOME TAX



# RETIREMENT FORMS

- PHS 1373
- PHS 5150 SBP
- 1199A DIRECT DEPOSIT
- INCOME TAX (STATE/FED)



# TERMINAL LEAVE

- MUST BE REQUESTED AND APPROVED BEFORE PHS 1373 IS SUBMITTED
- COUNTS TOWARD FULFILLING BONUS CONTRACT
- START NEW CAREER (PHS 520 APPROVED)

# LUMP-SUM-LEAVE

- BASIC PAY
- BAH II (BAQ)
- BAS
- 60 DAYS MAX
- NO FICA/MEDICARE TAX

60 days' leave  
Cash it in?..... Or take  
transition leave?

## Cash it in

Remain on  
active duty  
60 days  
cashed in  
leave  
Full Pay &  
Allowances

## Take it

Leave 60 days  
early  
No leave to cash  
in  
Full Pay &  
Allowances



## Retire early.....Or take transition leave?

Take leave - 1  
Aug to 1 Oct  
Retire 1 October

60 days basic  
pay &  
allowances



Cash in leave - 1  
Aug to 1 Oct  
Retire 1 August

60 days basic pay  
(leave cash-in)  
BAS, BAH II  
Retired Pay  
Pay no SSAN &  
FICA Tax  
Salary from  
Employment.....  
?

## LUMP-SUM-LEAVE

- BP 06 = \$9,910.80
- BAH II (BAQ) \$1,527.60
- BAH II 05 = \$1,472.40
- BAS \$223.04
- 60 DAYS MAX
- NO FICA OR MEDICARE TAX
- NO STATE TAX (?)

# LUMP-SUM-LEAVE

- BP 06 =  $\$9,910.80(2) = \$19,821.60$
- BAH II (BAQ)  $\$1,527.60(2) =$
- $\$3,055.20$
- BAS =  $\$223.04(2) = \$446.08$
- TOTAL \$\$ =  $\$23,322.88$
- PLUS RETIRED \$\$  
(\$7,432.00) @ 30 YRS
- NEW EMPLOYMENT \$\$

# SURVIVOR BENEFIT PLAN

- ELECTION MUST BE MADE BEFORE RETIREMENT
- COST 6.5% OF THE RETIRED BASIC PAY
- IRREVOCABLE BEFORE THE 25TH MONTH
- COST REDUCES TAXABLE RETIRED PAY



# HOME OF SELECTION

- HAVE UP TO 1 YEAR AFTER RETIREMENT TO ELECT AND MOVE TO HOME OF SELECTION
- MAY BE ANY LOCATION WITHIN THE 50 STATES
- AUTHORIZE TRAVEL FOR FAMILY MEMBERS
- HOUSEHOLD GOODS TRAVEL ALLOWANCE

# LIFE INSURANCE

- CURRENT SGLI IS EFFECTIVE FOR 120 DAYS AFTER RETIREMENT
- VGLI IS AN OPTION
- CONVERSION
- PRIVATE INSURANCE OPTION

# SGLI & VGLI

- SGLI is FREE for 120 days after ret. (or up to 2 yrs if 100% disabled)
- Spouse SGLI free for 8 months after retirement
- No physical required to convert SGLI to VGLI (if done within 120 days after retirement)
- VGLI is a 5-yr renewable term policy
- Premiums may be paid by allotment, if paid monthly



# HEALTH CARE INSURANCE

- TRICARE
- TRICARE RETIREE DENTAL



# RETIRED PAY

- BASIC/RETAINER PAY ONLY

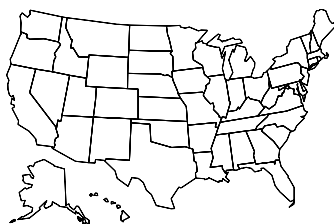


# INCOME TAX

- RETIRED PAY IS SUBJECT TO STATE AND FEDERAL INCOME TAX WITHHOLDING

## States with no income tax:

Alaska      New Hampshire  
Texas  
Florida    South Dakota  
Washington  
Nevada    Tennessee  
Wyoming

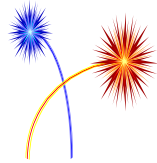


## States That Exempt Military Retired Pay



Alabama                      Louisiana  
New Jersey    Oregon\*  
Hawaii    Ohio  
Massachusetts      New York\*  
Illinois    Kentucky\*    Michigan  
North Carolina\*  
Kansas    Wisconsin    Mississippi  
Pennsylvania\*

\*If certain qualifications are met



## Social Security Tax (FICA)

- ✓ NOT deducted from your retired pay!
- ✓ When eligible, you will draw full Social Security and full retired pay!

## ID Cards

CAPT JOHN  
DOE  
USPHS  
Retired



- Same privileges as active duty, but Space-A
- Change to reflect retired status
- Children to age 21, 23 if full-time students;  
any age if incapacitated
- Dependent parents/parents-in-law

# Former Spouse ID Card

Authorized ONLY if:

- Marriage lasted 20+ years, AND
- Service for retired pay lasted 20+ years.....THEN

OVERLAP  
PRIVILEGE(S)

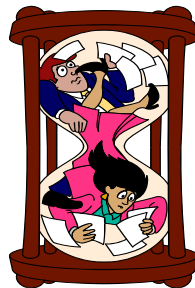
20+ years  
Full

15, but less than 20 years

Medical care (1 year)

Less than 15 years

None



# PHS Form 1867 Certificate of Release or Discharge From Active Duty

- Check for accuracy
  - Obtain copies
- File in a safe place  
**(NOT a court!)**
- Replace missing  
ones now





## ESSENTIAL INFO

- FOLLOW UP WITH :
  - TOM BERRY
  - 301-594-3472
  - [Thomas.Berry@psc.hhs.gov](mailto:Thomas.Berry@psc.hhs.gov)
- ORDERS
- MEDICAL RECORDS
- PHYSICAL
- ID CARD
- [HTTP://DCP.PSC.GOV](http://dcp.psc.gov)



## RETIRED PAY

Compensation Branch  
5600 Fishers Lane,  
Rm 4-50  
Rockville, MD 20857