



**Information & Instructions
for Completing an
Application for
Full Retirement Status
(from Phased Retirement)
under the
Federal Employees
Retirement System (FERS)**

SF 3118
October 2014

a New Day for Federal Service

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Introduction

These instructions pertain to an application for full retirement status when phased employment ends. They should be used in conjunction with the instructions for the *Application for Immediate Retirement*, Federal Employees Retirement System, Standard Form (SF) 3107 and the pamphlet “*Applying for Immediate Retirement Under the Federal Employees Retirement System*”, SF 3113. If you are covered by the Civil Service Retirement System, you must use SF 2826 in conjunction with SF 2801 to apply for a phased retirement.

Electing Full Retirement Status

As a phased retiree, you can elect to enter full retirement status at any time by submitting an SF 3107 application as described in these instructions.

Deemed Election of Full Retirement Status

Your phased employment/phased retirement is deemed to end if you separate from federal service (and therefore, from phased employment) for more than three days. Upon being separated from service for more than three days, you are deemed to have elected full retirement and your composite retirement annuity will begin to accrue as of the day after your separation from federal service.

Deposits and Redeposits

- **Regular FERS:** You must have already paid deposits and redeposits for civilian service as of commencement of your phased retirement and therefore, you cannot make service credit payments at final retirement. Unpaid deposit and/or redeposit service will not be used in the computation of your benefit.
- **FERS with a CSRS Component:** Interest on pre October 1, 1982 CSRS deposits continues to accrue until the annuity commencing date of the composite benefit. If we applied an actuarial reduction to your phased annuity retirement, the actuarial reduction amount will be increased by applicable cost of living adjustments. The resulting amount will be applied to the composite benefit as described in *Computing the Amount of the Composite Annuity at Full Retirement*.

Military Deposits

Post 1956 Military Service – If you performed military service after your phased retirement commenced (e.g., due to the call up of the employee for active military service) you may complete a deposit for this military service period no later than the day before the effective date of the composite retirement annuity. If the deposit is not paid, your military service performed during phased employment will not be credited in the computation of your FERS annuity.

If you have questions concerning the payment of a military deposit, contact your employing agency. Failure to pay the deposit to your agency as described in this section voids any future right to pay it.

Computing the “Fully Retired Phased Component”:

Part of your full retirement annuity (the “composite retirement annuity”) involves the “fully retired phased component”.

- **Regular FERS:** The “fully retired phased component” equals the product obtained by multiplying the working percentage by the amount of an annuity computed under the applicable FERS formula that would have been payable at the time of full retirement had you not elected a phased retirement, and as if you had been employed on a full-time basis, and before any reduction for survivor annuity. The general formula for regular FERS employees under age 62 is 1% of the average pay multiplied by the years and months of creditable service (there is no credit for unused sick leave). For employees age 62 or over, 1.1% of the average pay is multiplied by the years and months of creditable service. (**Note:** certain types of employees who perform service at a different (enhanced) accrual rate will be credited with 1.7% of average salary multiplied by the years and months of the enhanced service up to 20 years.) The resulting annual benefit will be multiplied by the Working Percentage.
- **FERS with a CSRS Component:** The FERS component is computed as described above and is combined with the benefit for the CSRS component, which is subject to CSRS rules:

1.5 percent	x	“high-3” average pay	x	5 years of service; <i>plus</i>
1.75 percent	x	“high-3” average pay	x	years of service between 5 and 10; <i>plus</i>
2 percent	x	“high-3” average pay	x	years and months of service over 10 years

Note: certain types of employees who perform service at an enhanced accrual rate will be credited with 2.5% of average salary multiplied by the years and months of the enhanced service.

The resulting CSRS benefit may be reduced by ten percent of an unpaid pre-October 1, 1982 CSRS deposit (with interest charged until the annuity commencing date of the composite benefit), if applicable.

The resulting annual FERS and CSRS benefit will be multiplied by the Working Percentage.

Unused Sick Leave: In computing the “Fully Retired Phased Component”, the amount of unused sick leave equals the quotient of the unused sick leave hours at separation that is creditable for retirement divided by the working percentage.

Computing the Composite Annuity

The computation of the composite annuity at full retirement equals the sum obtained by adding the amount of the phased retirement annuity increased by applicable cost of living adjustments (COLAs) to the fully retired phased component.

This amount is adjusted by applying the applicable reduction, if any, for a survivor annuity benefit.

Also if applicable, the monthly annuity derived from this formula for a FERS claim with a CSRS component, would also be adjusted by an actuarial reduction that was applied to the phased retirement (due to an unpaid pre March 1, 1991, CSRS redeposit), increased by applicable cost of living adjustments (COLAs).

Annuity Supplement

If applicable, the annuity supplement is payable upon commencing the composite annuity at full retirement.

Insurance Coverage-FEHB and FEGLI

If you want to continue your Federal Employees Health Benefit (FEHB) and/or Federal Employees' Group Life Insurance (FEGLI) coverage as a retiree, you must meet the following basic requirements. You must be retiring on an immediate annuity, and you must have been enrolled in the program for the five years of Federal service immediately preceding your annuity commencing date for final retirement status; or if enrolled less than five years, for the full period(s) of service during which coverage was available. FEHB coverage as a family member (and coverage under TRICARE or CHAMPVA) counts toward the five year requirement for health benefits.

Federal Dental and Vision Insurance Program

Your Federal Dental and Vision Insurance Program (FEDVIP) coverage will automatically continue into retirement as long as you continue to pay the applicable premiums. Until your composite retirement annuity is finalized, you may receive bills from BENEFEDS. You must pay these bills in order to keep your FEDVIP coverage. After work on your annuity is completed, BENEFEDS will automatically begin deducting from your annuity to pay future premiums.

Federal Long Term Care Insurance Program

Your Federal Long Term Care Insurance Program (FLTCIP) coverage will automatically continue into retirement as long as you continue to pay applicable premiums. If you are currently paying FLTCIP premiums by agency payroll deduction, you must arrange to pay premiums another way, either by deductions from your annuity, through automatic bank debit or direct bill. You may call LTC Partners at 1-800-LTC-FEDS (1-800-582-3337) to make these arrangements.

Court Orders

Composite retirement annuities are subject to court orders providing for division, allotment, assignment, execution, levy, attachment, garnishment, or other legal process on the same basis as other annuities.

Death while Awaiting Processing of Composite Retirement

If you should die after separation from phased employment but before filing an application for a composite retirement annuity, you will be deemed to have filed an application for composite retirement annuity. The composite retirement annuity will accrue from the day after your separation through the date of your death. If you have a surviving spouse, he or she must file an application for survivor benefits. The maximum survivor annuity will be payable.

Annuity Commencing Date

The commencing date of your composite retirement annuity is the day after your final separation from your federal employing agency.

Cost of Living Adjustment (COLA)

Cost of living increases are effective on December 1 and are payable in the January annuity payment. They are determined by the percentage increase in the average Consumer Price Index for the “base quarter” of the year in which they are effective over the “base quarter” of the preceding year in which an increase occurred. The “base quarter” is July, August, and September. If applicable, you will receive a full COLA on your composite annuity benefit.

Withdrawing an Application for Full Retirement Status

You may withdraw your application for full retirement status by submitting a signed written request to your agency before the effective date of your full retirement.

Please use these instructions for completing FERS form SF 3107

● **Section A – Identifying Information**

You must complete all items in this section except for item # 8, regarding a disability application, which is not applicable. Please refer to the Instructions for Completing Application on SF 3107 for detailed information pertaining to completing this Section.

● **Section B – Federal Service**

Complete items 1- 3 and 5 in this section. If you performed active military service during phased employment, complete item 4. Please refer to the Instructions for Completing Application on SF 3107 for detailed information pertaining to completing this Section.

● **Section C – Marital Information**

Complete all items in this section. Please refer to the Instructions for Completing Application on Standard Form (SF) 3107 and the pamphlet, SF 3113, for detailed information pertaining to completing this Section.

● **Section D – Annuity Election**

Complete all items in this section. It is very important that you read the detailed information on the Annuity Election in the Instructions for Completing Application on SF 3107 and the pamphlet, SF 3113.

● **Section E – Insurance Information**

Complete all items in this section. Please refer to the Instructions for Completing Application on SF 3107 and the pamphlet, SF 3113, for detailed information pertaining to completing this Section.

● **Section F – Other Claim Information**

You must complete all items in this section. Please refer to the Instructions for Completing Application on SF 3107 for detailed information pertaining to completing this Section.

● **Section G – Information About Children**

Complete all items in this section. Please refer to the Instructions for Completing Application on SF 3107 for detailed information pertaining to completing this Section.

● **Section H – Direct Deposit and Tax Withholding Information**

You must complete all items in this section. Please refer to the Instructions for Completing Application on SF 3107 for detailed information pertaining to completing this Section.

● **Section I – Applicant’s Certification**

Be sure to sign (do not print) and date your application after reviewing the warning.

● **Schedule A – Military Service Information**

If applicable, you must complete all items in this Schedule if you performed military service during phased employment. Please refer to the Instructions on SF 3107 for detailed information pertaining to completing this Schedule. Please note that if you wish to pay a deposit for this period of military service, you must make payment in full to your agency no later than the day before the effective date of your full retirement status.

● **Schedule B – Military Retired Pay**

If applicable, you must complete all items in this Schedule. Please refer to the Instructions on SF 3107 for detailed information pertaining to completing this Schedule.

● **Schedule C – Federal Employees’ Compensation Information**

If applicable, you must complete all items in this Schedule. Please refer to the Instructions on SF 3107 for detailed information pertaining to completing this Schedule.

● **Applicant’s Certification**

Be sure to sign (*do not print*) and date this portion if you have completed any part of it.



U.S. OFFICE OF PERSONNEL MANAGEMENT
1900 E STREET, NW
WASHINGTON, D.C. 20415

www.opm.gov/retirement-services