



United States
Office of Personnel Management
Retirement and Insurance Service

Benefits Administration Letter

Number: 98-107

Date: May 8, 1998

Subject: Preparing for a FERS Open Season

Background: Section 642 of the Treasury and General Government Appropriations Act of 1998 created a new open enrollment opportunity for eligible employees to transfer to the Federal Employees Retirement System (FERS) between July 1 and December 31, 1998. Notwithstanding the Administration's request that the open season be repealed, we have proceeded to develop our plans for implementing the law as enacted.

On March 16, 1998, we issued Benefits Administration Letter 98-105, which outlined actions we were taking to improve the guidance and products we maintain for employees who routinely have opportunities to transfer to FERS because, for example, of returning to Federal employment after a break in service. We also described our intended approach toward administering an open season in the event that Congress did not act on the President's request to repeal section 642.

The Administration is continuing to try to persuade Congress to repeal the open season. However, it is now necessary to proceed on the assumption that the open season will take place as provided by law. This letter provides you with a status report on the initiatives described in BAL 98-105, information about satellite broadcasts that are scheduled for May 28, June 3, and June 24, and initial guidance on the agency actions necessary to conduct an open season.

We know that you have been taking contingency actions to be prepared for an open season in order to notify employees and provide them with election information. It is now time to set your actions into full motion. You should begin publicizing the open season, identifying eligible employees, announcing employee briefings, and taking other necessary actions. If your agency needs assistance, your headquarters level

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*Federal Employees
Health Benefits
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Retirement
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Retirement Counselor should contact his or her liaison in the Agency Services Division.

1. Printed Materials. Benefits Administration Letter 98-703, dated March 16, 1998, gave you the opportunity to order a number of publications, including the *FERS Transfer Handbook*, from the Government Printing Office. The cutoff date for ordering was April 15, so that the *FERS Transfer Handbook* could be printed and in distribution to agencies by May 15. The materials went to print on time. Shipments of the *Transfer Handbook* and election form are scheduled to begin on May 15. While routine updating was done for the April 1998 edition of the *Transfer Handbook*, the 1996 and 1997 editions are also usable. The complete shipping schedule for all the items that were available to order will be posted on our web site at www.opm.gov/asd when it becomes available.

If you find that you need more copies of the *FERS Transfer Handbook*, you can obtain them by purchasing them from the Superintendent of Documents. The stock number is ISBN 0-16-04925-5, and the price per copy is \$6.50. There is a 25% discount for orders of 100 copies or more. You also can make copies by downloading the *Transfer Handbook* from our web site or printing it from the CD-ROM described in paragraph 3.

2. Web Site Development. Benefits Administration Letter 98-105 also described a FERS Election Opportunity page that is being developed for our web site. The first part of this site has the *FERS Transfer Handbook* and other informational material for employees. The second part of this site has a new FERS Transfer Model. The Transfer Model will provide employees with projected benefits under the two systems, based on information entered about their employment histories and expectations for the future. The Transfer Model is very easy to use so that employees can readily use it to do their own projections. The third part of the site is the administrators' portion. It will have guidance on administering the open season, sample employee letters, and sample articles for use in employee newsletters. The scheduled date for the web site to be operational is May 15. The direct address will be www.opm.gov/fers_election.

3. Availability of CD-ROM. We also promised to provide you with a CD ROM that would mirror the web site for employees without access to the Internet. We will be creating 10,000 copies of the CD, and will begin shipping them to you by May 31. We plan to send copies to all addresses on the health benefits open season shipping list and OPM's Employment Service's mailing list of 1,500 individual personnel offices. In addition, we will send copies to each agency headquarters level Benefits Officer based on a ratio of the agency's CSRS-covered employee population to the total CSRS population. If this does not meet your need, you will be able to obtain additional copies for a small cost. Details on how to obtain copies will be on the web site when they are available.

4. **Regulations.** Interim regulations are being prepared. These regulations generally will parallel the regulations that were in place during the 1987 open season and that guide ongoing transfers to FERS with only minor changes designed to facilitate administration.

5. **Written Guidance on Conducting an Open Season.** Another Benefits Administration Letter will be issued within 5 days that will have more detailed guidance on various aspects of conducting an open season and provide a sample employee notification letter. However, general principles that guide the opportunity to transfer to FERS are that all eligible employees must be:

- 1) notified of the open season and their opportunity to transfer by an employee letter and paper or electronic copy of the FERS transfer form (SF 3109);
- 2) provided with information about their choices by giving them individual copies of the printed *FERS Transfer Handbook* or making the electronic handbook readily available and making the FERS Transfer Model readily available for their use or by providing, upon request, projections of benefits under FERS and CSRS ;
- 3) informed where to seek assistance if they have questions;
- 4) notified by a Standard Form 50 or equivalent form that an election to transfer to FERS has been processed; and
- 5) as provided by our regulations, given an opportunity to make a belated election if they were prevented from making a timely election during the July 1 to December 31 period.

These are the same concepts that guide health insurance and thrift plan open seasons each year. Employees should be provided with items 1-3 above by June 15. As with any other election to transfer to FERS, open season elections will become effective at the beginning of the next pay period after receipt by the agency. Election forms received before July 1, 1998, will be deemed to have been received on July 1. Therefore, the earliest that an open season election can become effective is July 5, 1998.

With few exceptions, the standing instructions for handling transfers to FERS that are in chapters 11 and 81 of the *CSRS and FERS Handbook for Personnel and Payroll Offices* apply to the open season. However, there are unique aspects to an open season, such as the need to notify employees who may not be in a duty status, for example because they have been injured and are receiving compensation, that will be addressed in the Benefits Administration Letter referred to at the beginning of this section.

6. **Satellite Broadcasts.** We have scheduled three live, interactive 90-minute satellite broadcasts on FERS transfer issues. The first two, on May 28 and June 3, will be training sessions directed toward agency personnel who are responsible for assisting employees who have the opportunity to transfer to FERS. The first portion of the May 28 broadcast will focus on the nuts and bolts of running an open season, such as who is eligible to transfer, distribution of information, and processing elections. The second portion of the broadcast will focus on counseling employees who are eligible to transfer to FERS. The broadcast will include representatives from OPM, the Social Security Administration, and the Federal Retirement Thrift Investment Board.

The June 3 broadcast will introduce viewers to the web site and the materials on it. The broadcast will give viewers a “tour” of the web site, demonstrate how to use the Transfer Model, discuss some of the assumptions used in developing it, and show viewers the other resources available for employees and agencies.

The June 24 broadcast will be directed at all employees who are eligible to transfer to FERS. The broadcast will compare and contrast FERS and CSRS benefits, discuss Social Security benefits that some employees might gain by transferring to FERS, cover Thrift Savings Plan issues of interest to people with the opportunity to transfer, and demonstrate use of the FERS Transfer Model. The broadcast will include representatives from OPM, the Social Security Administration, and the Federal Retirement Thrift Investment Board.

Each of the broadcasts will be from 1:00 pm to 2:30 pm, Eastern Daylight time. Viewers will have the opportunity to call with questions during each of the broadcasts. The coordinates will be posted on our web site when available.

We are willing to schedule additional broadcasts directed at the general employee population. If additional broadcasts would be helpful to you, please let us know by faxing us on (202) 606-1108 or emailing us at asd@opm.gov. It will be helpful if you can include any particular areas of interest, the number of employees who might benefit from additional broadcasts, and suggestions for timing of a broadcast or broadcasts (such as early December for people who wait until the end of the open season to make a decision).



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Retirement and Insurance Service