



Benefits During Separation (Reasons Other Than Retirement)

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What happens to my Federal Employees Retirement System (FERS) contributions when I leave federal service?

During your time as a federal employee, you contributed to the Federal Employees Retirement System (FERS). Upon separation from federal service, you have two options:

Option 1: Leave Your Money in FERS

Consider leaving your contributions in FERS if you plan to return to federal civilian employment at a later date.

- If you return to federal service, you continue to accumulate creditable civilian service towards your retirement annuity.
- If you do not return to federal service and have 5 or more years of creditable federal service, you may be eligible for a deferred annuity once you meet the [minimum retirement age](#) requirement.
- If you do not meet the 5 years of creditable federal service when you retire, you can request a refund of your FERS deductions at that time (see instructions in Option 2 below).

Option 2: Request a Refund of FERS Deductions

If you do not plan to return to federal civilian employment in the future, you can request a refund of your retirement deductions.

To request a refund of your FERS deductions, complete the [Application for Refund of Retirement Contributions \(SF 3106\)](#) and submit to:

- Your agency human resources department if your date of separation was less than 30 days ago.
- The Office of Personnel Management (OPM) if submitting your application more than 30 days after separation. Instructions for submitting your refund application to OPM can be found in the “Where to file your application” section on page 7 of the SF 3106.

Note: If you take a refund of your retirement deductions and return to federal civilian employment in the future, you will need to pay a redeposit for the refunded amount (plus interest) in order for your prior federal civilian service to be creditable for retirement purposes.

What is “creditable Federal Service”?

- Creditable federal service includes any period of time your pay was subject to CSRS or FERS retirement deductions

- Additional creditable federal service may be included in your annuity calculation if you completed a deposit and have received a “paid in full” statement.
- Common types of creditable federal service include:
 - Federal service performed before January 1, 1989 where your pay was not subject to retirement deductions, usually listed as FICA Only on your SF-50 personnel action (i.e., contributing to Social Security only)
 - Volunteer Peace Corps or Americorps/VISTA service
 - Active Duty military service
 - Title 10 Active Duty (Federal active duty)
 - Title 32 Active Duty (State active duty that interrupts a period of federal civilian service)

For more information and additional creditable service exceptions, visit [OPM's Creditable Service webpage](#).

How do I know if I was in a covered position under CSRS or FERS?

- Access your most recent Standard Form 50 (SF 50) from your personnel records.
- Block 30 will indicate your current retirement plan code:
 - FERS (K), FERS-RAE (KR), or FERS-FRAE (KF)
 - CSRS (1, C, or R)
 - FICA Only (if service was prior to 01/01/1989 AND you paid a deposit in full and the paid in full memo is in your eOPF)

Can contributions to Social Security or Medicare be refunded?

No, Social Security and Medicare deductions are not refundable. However, you earn credit for periods of federal employment. These credits are added to your Social Security Administration (SSA) employment record to establish eligibility for SSA benefits. Contact the [Social Security Administration](#) for more information.

What happens to my Thrift Savings Plan (TSP) when I separate?

After separating from federal service, you are no longer able to contribute to TSP. Agency contributions also cease on your date of separation.

There are three parts to your TSP: your contributions, Agency Matching contributions (up to 4%), and the Automatic Agency 1% contribution. You are automatically vested in your contributions and the Agency Matching contributions. In order to be vested in the Automatic Agency 1% Contribution, you must have three years of total federal civilian employment. Refer to the [TSP website](#) for additional details.

I have an outstanding TSP loan. What happens when I separate?

You have three options if you have an outstanding TSP loan upon separation from service:

1. Pay off the loan prior to separation
2. Set up monthly payments with TSP
3. Allow the loan to be foreclosed and accept any associated tax implications

To learn more about an outstanding TSP loan visit [TSP's website](#) and click on the "Repaying your loan after separating from service" accordion menu item.

When does my health benefit (FEHB) coverage end?

Technically, FEHB coverage terminates on the last day of the pay period in which you separate. However, you will receive an additional 31 days of extended coverage at no cost to you.

Temporary Continuation of Coverage (TCC)

- TCC allows you to continue FEHB coverage for up to 18 months after the end of your 31 days of extended coverage.
- If you elect TCC, you must submit a [Health Benefits Election Form \(SF 2809\)](#) within 60 days of your separation. When completing the SF 2809 for TCC:
 - Insert "4A" as the "event code" in Part D
 - Use the date of separation as the "date of event"
 - The three-character "enrollment code" can be found on the FEHB Plan Comparison Tool
- TCC can be expensive. You pay the employee premium, the agency premium and a 2% administrative fee for a total premium of 102%. Current TCC rates can be found at the [OPM website](#). You may wish to consider researching other health plan options in addition to FEHB.
- Refer to the [TCC pamphlet](#) for additional information.

What happens to my life insurance (FEGLI) upon separation?

FEGLI coverage terminates at the end of the day on which you separate from federal service, with a 31 day extension of free coverage. No premiums or agency contributions are required during the 31 day extension.

As part of your separation process, your agency will provide you with the [Notice of Conversion Privilege \(SF 2819\)](#) and the [Continuation of Life Insurance Coverage as an Annuitant or Compensation \(SF 2821\)](#), which demonstrate your loss of group life insurance coverage and the right to convert.

Converting Coverage

You may elect to convert your FEGLI coverage (without medical examination) to a non-group coverage plan during the 31 day extension with rates based on age and class of risk. Under the conversion privilege, you may convert all or any part of your Basic and Optional coverage to an individual policy. The individual policy will be issued by any insurance company you (or your assignee/s, if applicable) select that has:

1. Been approved by OPM, and
2. Agreed to issue such policies under the provisions of the FEGLI contract

When you are ready to convert your coverage, you may request a list of eligible insurance companies from the Office of Federal Employees Group Life Insurance.

If you elect to convert to non-group coverage (after reading Part B of the SF 2821), complete Part C and mail the completed SF 2821 along with the SF 2819 to:

OFEGLI
P.O. Box 6312
Utica, New York 13504-6512

What happens to my vision/dental, flexible spending account, and long term care insurance after separation?

These benefits are managed by third-party providers, not by your agency. For more information on these benefits, please contact the third-party provider directly.

Dental and Vision Insurance (FEDVIP)

Your coverage ends on the last day of the pay period in which you separate. There is no 31 day extension of coverage or opportunity to continue coverage. Contact [BENEFEDS](#) for more information.

Flexible Spending Accounts (FSA)

Payroll deductions to your [Health Care \(HCFSA\)](#) and [Limited Expense Health Care \(LEX-HCFSA\)](#) terminate on the date of separation. Expenses incurred before the date of separation are reimbursable, but expenses incurred after the date of separation will not be reimbursed.

Payroll deductions for [Dependent Care \(DCFSA\)](#) will terminate on the date of separation. You may continue to be reimbursed for expenses until the end of the benefit period or until your account balance is exhausted (whichever is sooner).

For questions regarding FSAs, contact [FSAFEDS](#).

Long Term Care Insurance (FLTCIP)

Coverage is fully portable. Your long term care insurance will continue as long as you make arrangements with LTC Partners for direct premium payments for coverage. Contact [LTCFEDS](#) for more information.

Will my annual leave be paid out when I separate?

Yes, you will receive a lump-sum payment for any unused annual leave, unused regular compensatory time, or unused credit hours.

- The lump sum payment is based on your hourly rate at the time you separate. Some Leave and Earnings Statements list your hourly rate. For those that do not, you can take your annual salary (with locality) and divide by 2,087 to get your hourly rate.
- If you separate from federal service before the last day of the leave year, your lump sum will include any “use or lose” annual leave you have.
- Other types of leave (i.e., time off awards, military leave, etc.) will not pay out.

Note: You do not earn any annual or sick leave if you separate prior to completing your full schedule during the pay period you separate in.

If you are reemployed in the federal service, you may need to repay some or all of the lump sum payment received depending on how quickly you return to service. Your new agency will credit your leave account with the same annual leave equal to the hours/days of work remaining between the date of reemployment and the expiration of the lump sum leave period.

For example, Ima Sample received a lump sum payment for 240 hours of annual leave (six weeks). Ima is reemployed by the federal government four weeks after her separation date. As a result, she must refund (pay back) two weeks of annual leave to her new agency. Ima’s new agency will credit her leave account with two weeks of annual leave.

If sick leave is not paid out upon separation, what happens to it?

Any unused sick leave on the date of separation will remain “frozen” and will be reinstated if you are reemployed in a federal position in the future, regardless of the length of the break in service. If you do not return to federal service, any unused sick leave is essentially forfeited.

If you apply for a postponed or deferred annuity, your unused sick leave (converted to years and months) is added to your creditable retirement service and increases your monthly annuity payment.

Are there any additional actions I should take prior to separating from federal service?

- Download or request a copy of your Official Personnel Folder.
- Download your most recent W2 from your agency.
- Download your most recent pay statement showing your current earnings and leave.

Where can I learn more about separating from federal service?

- [OPM Life Events webpage](#)
- [OPM Retirement FAQ: Leaving the Government](#)
- [OPM Deferred Retirement webpage](#)
- [OPM Fact Sheet: Lump-Sum Payments for Annual Leave](#)

Additional Resources:

- [FEHB Handbook: Termination, Conversion and Temporary Continuation of Coverage](#)
- [FEGLI Handbook](#)
- [CSRS / FERS Handbook](#)
 - [Chapter 20](#) - Creditable Civilian Service
 - [Chapter 21](#) - Service Credit Payments for Civilian Service
 - [Chapter 22](#) - Creditable Military Service
 - [Chapter 23](#) - Service Credit Payments for Post-56 Military Service