



Retiree and Annuitant Services (RAS)

1 800 772-8724





Our Mission

- To provide excellent customer service to Coast Guard and NOAA retirees and annuitants.





Our Organization

DEERS ID Cards

Retirement Certificates

Point Statements

**Retiree & Annuitant Services
(RAS)**

Accounting Pay Techs

Lead Military Pay Techs

Pay Techs
A - Z

Deceased Claims
Examiners A - Z

Reserve Tech
A - Z





Today's Topics

- Last months on Active Duty
- Preparing for Retirement
- Things that affect your pay
- Maintaining your Retired Account
- The Survivor Benefit Plan (SBP)





Your Last Months on Active Duty

- Submit retirement request
- Receive Orders via Direct Access
- Set up Physical
- Complete Career Intentions Worksheet
- SPO issues DD214
 - Active duty or reservist under Title 10 mobilization





Preparing For Retirement

- Receive Retirement Package from PPC (RAS)
 - Sent via e-mail 6 months prior to retirement
- Complete Retirement Form (CG -4700)
- Retired Pay Estimate
 - <http://www.uscg.mil/hr/psc/ras/retirementprocessing.asp>
- Retirement Checklist 3PM PPCINST
M1000.2A 3-B-23
- Attend Pre-Retirement Seminar
- Certificates and Pin





Certificates & Pin

- Units should order Certificates from Website
 - <http://www.uscg.mil/hr/psc/ras/CertificateRequest.asp>
- PPC (RAS) sends the following items to member's unit for presentation
 - Retirement Certificate signed by Commandant
 - Spouse Certificate of Appreciation signed by Commandant
 - Certificate of Appreciation for Service in the Armed Forces of the United States signed by the President
 - U.S. Coast Guard Retirement Pin





The Retirement Form

- Retirement Forms (CG 4700) available from Website - www.uscg.mil/hq/psc/forms/
 - Submit Form to RAS at least 3 months prior to retirement, keeping a copy for your self.
 - Ensure that your SPO has entered and approved your retirement orders in the Direct Access system.
- RAS accesses your file and verifies data in the Retired Pay System
- List of frequent problems in seminar handout





Points of Interest about Retired Pay



- Retired pay is due & paid on the 1st working day of the month following the month for which it is due.
- Your first retired payment is made the 1st working day of the month following date of retirement.
 - Retire on 1 Dec 10, first payment received on 3 Jan 11.
- The tax year for retired pay runs from December through November of the following year because the December payment is made in the New Year.





Retired Pay Formulas

Date Initial Entry in Military Service (DIEMS)

**Prior to
8 Sep 1980**

2 1/2%
Per Year
X Base Pay
on Date of
Retirement

20 Years:
50% of Base Pay

**Between
8 Sep 80 - 31 Jul 86 &
After 31 Jul 86 if REDUX
Bonus Not Taken**

2 1/2 % Per Year
X Average of
Highest 36 Months
of Active Duty

20 Years:
50% of High 36

**After
31 Jul 86 – If REDUX
Bonus Taken**

2 1/2 % Per Year
Less 1% for Each Year
Less than 30 Years
X Average of Highest 36
Months of Active Duty

20 Years:
40% of High 36 at
20 Years





Information Needed to Compute Retired Pay

- Highest Grade Held
- Active Duty Base Date (ADBBD)
 - Only Active Duty Time counts
- Pay Base Date (PBD)
 - Includes active & inactive time
- Date Initial Entry Military Service (DIEMS)
 - Designates retirement law used for retirement





Examples from Jan 2011 ADPS

Ex: (E-8 w/20 yrs)

\$4,691.70

x .5000

\$2,345.00

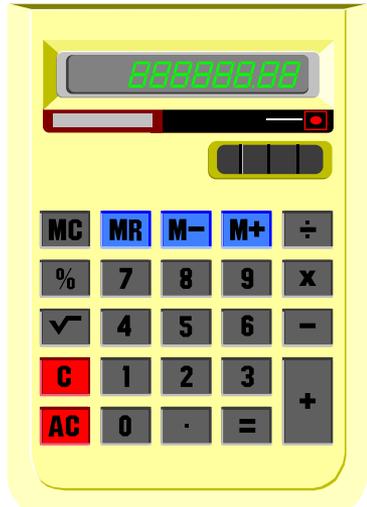
Ex: (CWO3 w/24 yrs)

\$5,955.60

x .6000

\$3,573.00

Gross Retired Pay



Examples from Jan 2011 ADPS

Ex: (O-6 w/30 yrs)

\$10,391.10

x .7500

\$ 7,793.00

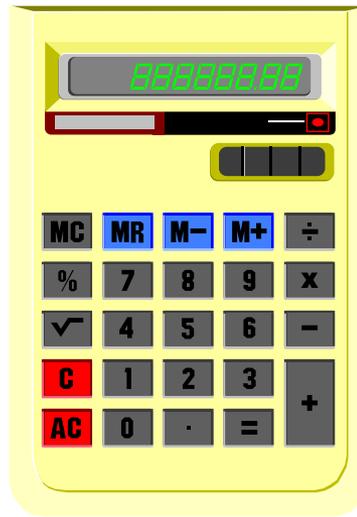
Ex: (O-8 w/36 yrs)

\$13,739.40

x .9000

\$12,365.00

Gross Retired Pay





VA Disability Compensation

- Forfeit \$1 of retired pay for each \$1 of VA Disability Compensation received
- Additional stipend for dependents if VA rates disability at 30% or higher
- VA Disability Compensation is Tax-Free
- 1 Jun 03 Combat Related Special Compensation
- 1 Jan 04 Concurrent Disability & Retirement Payments
 - Affects members with 50% or higher VA disability
 - Phased in over 10 years
 - Full implementation scheduled for 2014





VA RATES - 2011

<u>VA Disability %</u>	<u>Monthly Amount</u>
10%	\$123.00
20%	\$243.00
30%	\$376.00
40%	\$541.00
50%	\$770.00
60%	\$974.00
70%	\$1,228.00
80%	\$1,427.00
90%	\$1,604.00
100%	\$2,673.00





Allotments in Retirement

- How to convert active duty allotments to retirement
 - Annotate, sign, & date LES
 - Allotment Form (CG 7221)
- Changing allotments in retirement
 - Allotment Form (CG 7221)
 - Phone, Write or Fax request to us
- Allotment Tidbits
 - Allotments must be direct deposit
 - SGLI/VGLI started through Servicemembers Group Life Ins.
 - Retired Delta Dental/Tricare are not allotments
 - No CFC allotments may be carried forward
 - Authorized allotments & form in seminar handout





Garnishment



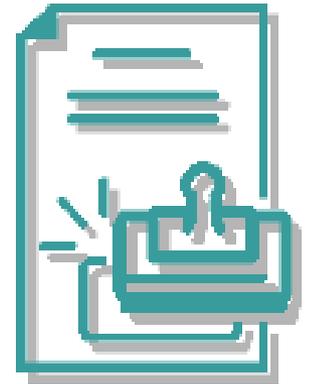
- May be Court Ordered to enforce child support and/or alimony
- Carried forward from Active Duty
- Computation for Net Disposable Earnings and Percentage found in seminar handout





Former Spouse Protection Act

- Provided for in Divorce Decree
- Processed through Legal Office
- Alimony & Child Support
 - No minimum length of service
 - No minimum length of marriage
- Community Property or Property Division
 - For PPC enforcement - 10 years marriage while member was in the military Service
- Deduction may be as much as 50% of “Disposable Retired Pay”





Federal & State Taxes

- Federal Income Tax Withholding (FITW)
 - Deduction based on marital status & number of exemptions claimed
 - W4 Form Required
 - May elect additional tax
- State Income Tax Withholding (SITW)
 - Each State treats retired pay differently
 - SITW is not a mandatory deduction from retired pay
 - You may request SITW, if residing in one of the States with a DoD agreement (List in seminar handout)
 - Retiree must specify \$\$ dollar amount of deduction
- FICA - Retired pay is not subject to Social Security Withholding





Retired Pay and Social Security

- Military Retired Pay is not affected by Social Security entitlements
- Once you retire, you can draw both Social Security and Retired Pay without an offset to either one



**U.S. COAST GUARD
RETIREE/ANNUITANT
STATEMENT OF MONTHLY INCOME**

Period Covered 1-31 DEC 2008		Pay Grade E6		Employee ID		Pay Delivery EFT	
BIRTHDATES FOR SBP PURPOSES				SBP INFORMATION			
Member 1967-JUL-28	Beneficiary/Spouse N/A	Youngest Child 2003-OCT-22	Coverage Type 1-Child	Base Amount 1645.19	Annuity 905.00		
ENTITLEMENTS		OLD	NEW	DEDUCTIONS		OLD	NEW
RETIRED PAY		1555.00	1645.00	VA COMP		811.00	857.00
CRDP		595.00	628.00	SBP-CH PREMIUM		6.69	7.07
TOTAL ENTITLEMENTS		2150.00	2273.00	COURT GARN		666.16	704.47
ALLOTMENTS		OLD	NEW				
DEPENDENT		400.00	400.00				
TOTAL ALLOTMENTS		400.00	400.00	TOTAL DEDUCTIONS		1483.85	1568.54
YOUR NET PAY	Old Amt 266.15	Name BM1	USCG RET	Bank Name		Route Nbr	Amount
	New Amt 304.46			Rbs Citizens, Nation		211070175	304.46

REMARKS:

This Pay Slip reflects a Cost of Living Adjustment effective 1 December 2008. The percentage of your COLA is:

Date of Retirement	Entered Service Before 8 Sep 80	Entered Service After 7 Sep 80 and No 15-Year Bonus	Entered Service After 31 Jul 86 and 15-Year Bonus
Before 1/1/2008	5.8%	5.8%	4.8%
1/1/2008 thru 3/31/2008	5.0%	5.0%	4.2%
4/1/2008 thru 6/30/2008	5.0%	3.8%	3.3%
7/1/2008 thru 9/30/2008	5.0%	1.2%	1.0%
10/1/2008 thru 12/31/2008	5.0%	0.0%	0.0%

YOUR PAY DATA CHANGES:

RETIRED PAY HAS CHANGED DUE TO STATUS CHANGE OR COLA ADJUSTMENT
CONCURRENT RETIREMENT DISABILITY PAYMENT (CRDP) CHANGED
VA OFFSET DEDUCTION AMOUNT CHANGED
SBP CHILD PREMIUM CHANGED
COURT ORDERED GARNISHMENT DEDUCTION CHANGED

IF YOU HAVE QUESTIONS, CONTACT:

COMMANDING OFFICER (RAS)
USCG PERSONNEL SERVICE CENTER
444 SE QUINCY STREET
TOPEKA, KS, 66683-3591 **PHONE:** 1-800-772-8724

RETIRED PAY RECORDS ARE COMPUTER
MATCHED WITH OTHER FEDERAL
EMPLOYMENT AND BENEFIT RECORDS
FOR DEBT PURPOSES.
BE SURE TO VERIFY ALL DATES OF BIRTH
LISTED ABOVE FOR DEERS PURPOSES.
BUY U.S. SAVINGS BONDS

- You will not receive a statement each month
- It is sent when you receive a cost-of-living adjustment (COLA) or when you have made a change to your retired account
- Correct home mailing address is very important
- Opportunity to review dates of birth for SBP & pay information
- Remarks are provided on form to explain change



Recall to Active Duty

- Recall Orders Issued
- Retired Pay is waived during recall
- Length of Recall
 - Less than 30 days - retired pay continues & special payment issued for active duty difference
 - More than 30 days - retired pay is suspended
- Even if immediate recall, no break in service – CG 4700 must be completed & submitted to RAS
- Retired pay account is reviewed at end of recall period for possible additional service
- SBP election made at retirement is valid unless change in marital status





Differences in Retired & Active Duty

	<u>RETIRED PAY</u>	vs	<u>ACTIVE DUTY</u>
Pay Day	Once per month First working day of month (defaults forward if weekend)		Twice per month First Calendar day of month (defaults backward if weekend)
Notice of Account (LES's)	Issued only when change occurs Retired Pay Slip		Issued every month Active (LES)
Pay Change Request	No form required (written request)		Prescribed CG Form
Taxable Income	Form 1099R		Form W-2
SPO Support	PPC (RAS) 1 800 772-8724		SPO
Retiree Newsletter	Issued Quarterly & mailed to your home		None
Cost-of-Living Allowances	Partial COLA first year Full COLA thereafter		Full Pay Raises each year

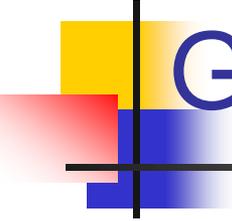




Future of Retired Pay

- Self-Service will be available with the new retired pay system beginning 2010.
- Future updates on the new retired pay system will be provided in the CG/NOAA Retirees' Newsletter and on the RAS website.





Global Pay Self Service

- The first phase was released January 2010. Retirees/Annuitants are now able to view and print their Pay Slips and IRS Forms 1099R.
- We will be expanding Self Service functionality in phases during 2010. Future planned functionality includes:
 - Update mailing address & phone numbers
 - Update final pay beneficiary information
 - Complete Certificates of Eligibility & Reports of Existence
 - Elect to discontinue printed copy of Retiree Newsletter
 - Update direct deposit information
 - Change federal tax withholding
 - Change state tax withholding (retirees only)
 - Start, stop, and change allotments & savings bonds (retirees only)

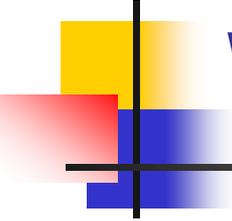




Summary

- Submit request for retirement
- Receive HQ Approval - (Orders)
- Complete Retired Form CG 4700
- Submit Form 60-90 days prior to retirement
- Keep a copy
- Call us for assistance - 1 800 772-8724





WHAT HAPPENS WHEN I DIE?

ALL PAYMENTS STOP!!!

Retired Pay

All allotments

Former Spouse Payments



Payment in the form of an annuity begins only if you have elected SBP





What is Survivor Benefit Plan (SBP)

- The SBP provides a monthly income in the form of an annuity for your family after your death.
- Electing the SBP is the only way your beneficiary may receive an annuity from the Coast Guard after your death.





When to make your SBP election

- Election must be made before retirement
- SBP Election Form (CG 4700, page 3)
- Spouse must concur with election. If not, coverage is full.
- Effective 1 May 2008, SBP elections must be notarized if less than full or declines election.
- Election is irrevocable; however, effective 17 May 1998, may withdraw from SBP between 2nd and 3rd Anniversary of receiving retired pay.
- Open Season may allow for changes.





Frequent problems with SBP election

- Form not signed where required
- Form not witnessed or notarized where required
- Not signed & witnessed on same day
- Witnessed by relative





What are my options with SBP

Who may be insured under SBP?

How much coverage may I have?

How much will it cost?

What's the annuity?





When is SBP an involuntary election

- If you elect no SBP, or less than than full SBP, and your spouse does not concur.
- You may be required to provide SBP for your former spouse as a result of divorce.
- If you remarry after retirement, and have been enrolled in SBP, you must make a new election within a year, or your new spouse will automatically be enrolled in SBP at the level previously held. Costs will accumulate at the time of remarriage.





Who may be insured under SBP

- Spouse
- Spouse & children
- Child(ren) Only
- Incapacitated Child
 - Prior to age 18
 - Before age 22 if pursuing a full-time course of study
- Former Spouse
- Former Spouse & Child(ren)
- Insurable Interest Person
 - Grandfather, Uncle, Business Partner





How much coverage may I have

- Determined by the SBP Base Amount
 - \$300.00 to full amount of retired pay
- You select SBP Base Amount
- Full SBP Base = Full Retired Pay
- Reduced SBP Base
 - From \$300.00 to less than full retired pay





Things to consider in making a decision



- SBP is government subsidized
- Monthly SBP costs increase with annual COLA
- SBP cost reduces taxable retired pay
- SBP cost is suspended when no eligible beneficiary
 - Divorce, Death, Child reaches age 18/22
- Monthly annuity increases with annual COLA





SBP Spouse Only

- Annuity is 55% of Base amount elected
- Annuity is increased with annual cost-of-living adjustments
- Annuity is suspended if spouse remarries prior to age 55





Understanding SBP cost calculation

- The calculation for SBP costs is based on a formula set by law
- A threshold amount, which changes each year, is used to keep costs as low as possible





Examples of Cost Calculation

- SBP Spouse only coverage - Full base amount of \$1,500.00
 - SBP Base amount $\$1,500.00 \times 6.5\% = \97.50 per month
 - Annuity @ 55% = \$825.00
- SBP Spouse only coverage - Minimum base amount of \$300.00
 - SBP Base amount $\$300.00 \times 2.5\% = \7.50 per month
 - Annuity @ 55% = \$165.00





SBP Child coverage

- Coverage for child or children only is inexpensive and covers all children
- Annuity is divided equally and has no offset
- Annuity for child or children continues until child reaches age 18 or 22 if attending school
- Annuity for incapacitated child continues as long as child remains incapacitated – medical documents should be dated within the 90 days of retirement



Cost calculation (child coverage only)

- Cost is based on the the age difference between the member & the member's youngest child
- Actuarial tables are used to compute costs

E-8 age 39/child 9

\$2,345.00

x .0034

\$ 7.97

\$1,289.00

SBP Child Cost
Annuity

CWO3 age 40/child 5

\$3,597.00

x .0058

\$ 20.86

\$1,978.00



Cost calculation (child coverage only)

O-6 age 45/child 12

\$7,793.00

x .0040

\$ 31.17

\$4,286.00

O-8 age 55/child 15

\$12,365.00

x .0073

\$ 90.26

\$ 6,800.00

SBP Child Cost

Annuity





SBP vs Insurance

SBP

vs

Insurance

No cash value

Cash value to borrow against

Government subsidized

Full cost

SBP annuities rise with inflation

Insurance distributions do not rise with inflation

Premiums exempt from taxes

Insurance premiums not exempt

Annuities paid out are taxable income

Proceeds are generally not taxable

Cannot be denied due to health or age

Coverage can be denied





SBP vs Insurance

- Information on the value of SBP; an Actuarial Analysis, and the things to consider when comparing SBP and Insurance may be found at the following web sites:

<http://www.uscg.mil/hr/psc/ras/sbp.asp>

<https://w11.afpc.randolph.af.mil/RetSepCalcNet/default.aspx>





Summary

- Must complete SBP Election before retirement
- Spouse must concur
- Form must be witnessed
- Opportunity to elect out of SBP 2 years after retirement
- Can insure spouse and children
- Cost reduces taxable retired pay
- Annuity increases with COLAs



CONSIDER YOUR OPTIONS CAREFULLY

