

The Federal Employee Retirement Checklist

Everything you need to review before you leave federal service

A FREE Resource from Cross Point Solutions | crosspointsolutions.net

Retiring from federal service is one of the biggest financial transitions you will ever make. This checklist covers the key decisions, deadlines, and documents you need to review. Work through each section at your own pace and bring any questions to a licensed advisor before you submit your paperwork.

Section 1: Understand Your FERS Benefits

- Confirm your FERS retirement eligibility (MRA, age 60/62 with 20+ years, or age 62 with 5+ years)
Your Minimum Retirement Age (MRA) depends on your birth year. Check with OPM or your HR office.
- Request a retirement estimate from your HR office or OPM
Get both a "best case" and a conservative estimate to plan around.
- Understand the FERS supplement if you retire before age 62
The FERS Supplement bridges income until Social Security kicks in. It stops at age 62.
- Review your survivor benefit options for your spouse or dependents
Electing a survivor benefit reduces your annuity but protects your family after your passing.
- Confirm your years of creditable service, including any military or prior federal service
Buying back military service time can significantly increase your pension.

Section 2: Your Thrift Savings Plan (TSP)

- Know your TSP balance and current fund allocations (G, F, C, S, I, L Funds)
Log in at tsp.gov or call 1-877-968-3778.
- Understand your TSP withdrawal options: phased withdrawals, annuity, or lump sum
Each option has different tax implications. Don't decide without reviewing all three.
- Decide whether to keep your TSP, roll it into an IRA, or roll it into a new employer plan
Rolling to an IRA often gives more investment options and advisor flexibility.
- Review tax implications of any TSP withdrawal or rollover
Direct rollovers avoid the mandatory 20% federal tax withholding on indirect rollovers.
- Update TSP beneficiary designations
Beneficiary forms on file with TSP override your will. Make sure they are current.

Section 3: Federal Health & Life Insurance

- Confirm you meet the 5-year eligibility rule to keep FEHB in retirement
You must have been continuously enrolled (or covered by a family member) for 5 years before retirement.
- Compare FEHB plans for retirees at open season (available each November)
Some plans offer better retiree benefits or lower premiums than your current plan.

- Understand how Medicare Part A & B coordinate with FEHB
Most federal retirees enroll in Medicare Part A at 65 for free. Part B coordination varies by plan.
- Review your FEGLI (Federal Employees Group Life Insurance) options
Premiums increase significantly after retirement. Consider whether to keep or reduce coverage.
- Evaluate whether a supplemental life or IUL policy better fits your post-retirement needs
An IUL can provide lifelong protection with a cash value component FEGLI does not offer.

Section 4: Financial Preparation

- Build a retirement budget: fixed income (pension + Social Security) vs. monthly expenses
Include healthcare premiums, which are often overlooked in retirement budgets.
- Identify any income gaps between your pension/TSP and monthly needs
An annuity or IUL distribution strategy can help fill gaps without market risk.
- Review debts: mortgage, auto, and credit cards before your final pay date
Entering retirement with high-interest debt significantly reduces your financial flexibility.
- Establish an emergency fund of 3-6 months of expenses in liquid savings
This protects your retirement accounts from early withdrawals during unexpected events.
- Review or create your estate plan: will, power of attorney, beneficiary designations
Federal employees often overlook updating beneficiaries across TSP, FEGLI, and bank accounts.

Section 5: OPM Paperwork & Timeline

- Notify your HR office of your intended retirement date at least 3 months in advance
OPM processing can take 6-12 months. The earlier you start, the smoother the transition.
- Obtain and review your complete Official Personnel Folder (OPF)
Errors in your service history can delay or reduce your pension. Correct them before you retire.
- Complete and submit SF 2801 (FERS Application for Immediate Retirement)
Submit to your agency HR, not directly to OPM.
- Confirm your unused annual leave will be paid out as a lump sum
Sick leave counts toward your years of service calculation but is not paid out.
- Enroll in direct deposit and update your banking info with OPM
OPM will take over your annuity payments from your agency payroll after processing.

5 Common Mistakes Federal Employees Make at Retirement

1. Leaving TSP in the default G Fund without reviewing whether it fits their retirement income strategy.
2. Not checking beneficiary designations on TSP, FEGLI, and bank accounts.
3. Underestimating healthcare costs after 65 when coordinating FEHB with Medicare.
4. Forgetting to buy back military service time, which can add years to their pension calculation.
5. Retiring without a clear income plan to cover the gap between pension income and monthly expenses.

Have questions about your TSP, FERS pension, or retirement income strategy?

Book a FREE consultation with a licensed advisor at Cross Point Solutions. Education-first. No pressure.

Just clarity.

crosspointsolutions.net | Columbia, Maryland | Licensed in Multiple States

This checklist is for educational purposes only and does not constitute financial, legal, or tax advice. Consult a licensed professional before making retirement decisions. © 2026 Cross Point Solutions. All Rights Reserved.