



# Ann Fagelson Government Seminars, Inc MONTHLY NEWSLETTER

TOPIC: CSRS Survivor Benefits  
Current Spouse

August - September, 2010

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Greetings!

Welcome to the Ann Fagelson Government Seminars

We have over 25 years experience presenting planning programs exclusively for the Federal government.

In addition to our popular seminars, we are Offering a "**free**" monthly internet Newsletter for all Federal employees, who wish to enroll for this informative Information.

The Newsletter will address questions raised by students who have attended our classes. We pride ourselves on cutting through the bureaucratic language, and translating it into understandable English. Please tell your friends about us.

*Ann Fagelson*

**Ann**

Ann Fagelson Government Seminars, Inc.

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## I. Current Spouse

Employees may elect at retirement the following options for their current spouse:

1. A full survivor annuity for your current spouse.
2. Less than full, or no survivor annuity.
3. "Insurable Interest" survivor annuity if the survivor annuity has been awarded.

Lets take each one by one.

## II. Full Survivor Annuity for Current Spouse

CSRS employees have a variety of choices at retirement. The following are examples of the different options:

1. Full survivor annuity for your current spouse, the cost of which is based on the different options:

a. 2-1/2% reduction up to the first \$3600 of the employee's basic annuity. Then, a 10% reduction in the annuity on the remaining amount above and beyond \$3600. The following is an example of these computations:

Example:

Assume retiring employee's basic annuity is.....	\$41,657
Reduction for Survivor 1-1/2% X \$3600.....	\$ 90
\$41,657 minus \$3600 = \$38,057 X 10%.....	+ \$ 3806
Total reduction for survivor benefit.....	\$ 3896 per year

### III. Less Than Full or No Survivor Annuity

If the main purpose of leaving a survivor benefit to your spouse is to insure that he or she continues to be eligible for the federal health insurance program, some amount, either large or small, must be chosen at the time of retirement. This is called naming a "base amount". If no amount is selected, meaning "no" survivor annuity, the surviving spouse will lose his or her health insurance benefits after you die. If you are a two-fed couple and are both on the Federal Health Insurance plan, the survivor will continue to be covered even if no survivor benefit was selected. Thus, this two-fed couple does not need to take a survivor benefit. The following is an example of a reduced annuity survivor benefit:

Assume the retiring employee designates as a base.....	\$ 5,000
Assume retiring employee's basic annuity is.....	\$41,656

Reduction for Survivor:

2-1/2% X \$3600	= \$	90
\$5000 - \$3600 = \$1400 X 10%	= +\$	<u>140</u>
Total Reduction for survivor benefit	\$	230

Retiree's annuity after reduction for survivor	\$41,427
Spouse's annuity 55% X \$5,000	= \$ 2,750

***Spouse's annuity if for life, unless spouse re-marries before age 55. If the re-marriage later terminates, the annuity can be re-instated.***

### IV. Insurable Interest

An insurable interest survivor benefit can be one of the most expensive product that you can purchase at the time of retirement.

Insurable Interest is available *only* at retirement to married and unmarried employees in good health. Medical examination is required. Person named must have insurable interest in life employee, such as one who is dependent on employee for substantial portion of support, roughly 50%.

Employee must take a reduced annuity. The reduction depends upon the age difference between the employee and the person designated, anywhere from 10 to 40%. An example of this would be:

Example

Retiring employee's basic annuity \$41,657

Retiring employee elected insurable interest annuity for current spouse, 8 years younger than retiree (there was a court order for full survivor annuity for former spouse)

Computation of Reduction

15% X \$41,657	\$ 6,248
Basic Annuity	\$41,657
Reduction	= \$ <u>6,248</u>
Annuity after Reduction	\$35,409

Survivor's annuity: 55% of reduced annuity = \$19,474  
 55% X \$35,409

Much more information in our classes. See below for class dates.

Thank you for **reading** this Newsletter. *Please let us know of any topics we might write for you.* We strive to make a difference!

PS. We sell nothing other than our courses. We do not accept referral fees. Our goal is to help Federal Employees have a successful retirement. When you take one of our classes, we encourage you to call us, if you have not understood everything presented **in the course**. Retirement benefits are confusing, and we want to help you with the answers, after you have taken our program.

Our commitment to you is to make your Federal Benefits clear and understandable. We will save you time by researching the details and teaching it to you. Knowledge is potent stuff. Give our classes a try.

Joke of the Month:

Q. What do you say to praise a computer?

A. "Data Boy"

A Recommended Book:

"Full Catastrophe Living"

by: Jon Kabat-Zinn, Ph.D.

*This excellent book tells you how to use the wisdom of your body and mind to face stress, pain and illness.*

**Ann**

Next Month: Housing and Lending

Below we have dates and cities listed for programs in 2010

**Register Early and avoid cancelations**

Here are a few of the listings:

Sandusky, Ohio Ask us about a class

San Francisco, CA, FERS, October 5, 6, 7, 2010

Las Vegas, NV, FERS, October 13, 14, 15, 2010

Portland, OR, FERS, October 25, 26, 27, 2010

San Diego, CA, CSRS, November 17, 18, 19, 2010 (This is a date change from December.)

**See below for all of our other classes, dates and cities.**

New Courses:

We have added additional cities and dates to our **2010 - 2011** schedule:

Open classes are listed below with cities, dates and prices.

New Cities for 2010-2011

Sandusky, Ohio

Albuquerque

Charleston

Honolulu

Los Angeles

San Francisco

Seattle

Tucson

We will present a class for you on site in any State OR in any Country. Just invite us!

Register on-line: [www.governmentseminars.com](http://www.governmentseminars.com)

**Or:** Call us at (619) 697-1334 to register. We take the Government Credit card or your agency's authorized method of payment.

OUR PROMISE:

We will not sell your e-mail address or share it with anyone.

## Register Early!

### No Selling

We have been told that other seminars companies and Federal Newsletters do point out "the good deals". We choose not to for several reasons. The most important reason is that our background and resources are in Federal retirement benefits. We are not life insurance, health insurance or mutual fund representatives, and we refuse to take referral fees of any kind. We, too, have noticed what appear to be recommendations in Federal e-mail and hard copy publications on all of these issues. In many cases, they even give you an application or an 800 number in the publication or website. We have been told that fees are paid and, in fact, the article was written by the offering party. BE CAREFUL!! Do your homework.

If you have taken a Pre-Retirement Planning Course through Ann Fagelson Government Seminars, Inc., we allow free follow-up questions, which may have gone unanswered during the class.

### Only for Students

This offer is only for those who have attended our classes, not for relatives, friends or colleagues. Student must have their current book in front of them when calling.

Thank you for your interest in our Newsletter and our programs. Please spread the word about our company and have your friends join the mailing list through our website for their "free" subscription.

### Register Early and Avoid Cancellations

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Our Fiscal Year 2010-2011 course schedule, open dates, agenda details and costs are now online at:  
[www.governmentseminars.com](http://www.governmentseminars.com).

## Questions?

We do not accept phone calls nor e-mails regarding specific information generated from this free Newsletter. Details of all topics raised in our articles are fully discussed within our retirement planning seminars. For complete details about our programs and registration information, please click on [www.governmentseminars.com](http://www.governmentseminars.com).

## Open Classes 2010-2011

Register Early: [www.governmentseminars.com](http://www.governmentseminars.com)

**Newly Hired Benefits Counseling 2-Days - On Site Only**  
Important class for Newly Hired Employees. Detailed Discussion about FERS, Social Security and the TSP.

Agencies may call to request this class, as well as our other open classes.

### CSRS 3-days

2010-2011

November 17-19, 2010, San Diego \*(Changed from December 7-9, 2010)

February 15-17, 2011, San Diego

May 16-18, 2011, Honolulu

June 7-9, 2011, San Diego

June 27-29, 2011, Charleston, SC

August 29-31, 2011, Portland, OR

### FERS 3-Days

2010-2011

October 5-7 2010, San Francisco (Date Change)

October 13-15, 2010, Las Vegas

October 25-27, 2010, Portland, OR

December 1-3, 2010, San Diego

January 25-27, 2011, San Diego

February 8-10, 2011, Charleston, SC

March 8-10, 2011 (LE/FF) San Diego

May 2-4, 2011, Reno

May 11-13, 2011, Honolulu

May 25-27, 2011, San Diego

June 22-24, 2011, Charleston, SC

August 24-26, 2011, Portland, OR

September 13-15, 2011, San Francisco

### **CSRS & FERS 4-Days (Includes LE/FF)**

2010-2011

April 5-8, 2011, Reno, NV (LE/FF)

July 5-8, 2011, Reno, NV

August 9-12, 2011, Germantown, MD

Thrift Savings Plan and Social Security 1-Day  
2010-2011

Call to request an on-site course (619) 697-1334

Costs:

- 1-Day Classes \$250 per employee
- 2-Day Classes \$375 per employee
- 3-Day Classes \$500 per employee
- 4-Day Classes \$650 per employee

Over 30 employees?

Ask about our group discounts for agency sponsored programs for 30 or more employees at the agency's site or in our open classes.

Contact us: (619) 697-1334

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