

eBook



Tips for Supporting Retirement Actions in the Federal Government



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Introduction

The Federal Government employs more than 600,000 civilians who are eligible to retire under current guidelines. This represents more than 30% of the total federal workforce, and a major undertaking for HR retirement specialists who must deal with the inefficiencies in the systems currently in place to process them in a timely manner.

Additionally, the other 70% of employees, who are not currently eligible to retire, may have questions about their retirement, including:

- Their earliest eligibility date for retirement
- Retirement estimates (for a future retirement date) so they can begin planning for their retirement
- How their federal retirement annuity is calculated and how to best contribute to their TSP
- Attendance of a retirement seminar

It is a challenge for an agency's HR specialists to quickly, accurately, and efficiently respond to all their employees' requests. Fortunately, using technology, you can rapidly improve the efficiency of the retirement process, while ensuring security for the systems utilized to do it.





Overcome Inefficiencies by Using the Latest Technology.

To handle employee retirement requests, many agencies still use technology developed more than 25 years ago. These systems are inefficient and cumbersome, resulting in issues such as having to rekey data, inaccurate data, and manual form completion.

The Cost of Rekeying Data

One of the costliest inefficiencies in the system is the need to rekey data. Specifically, whenever changes are needed, the entire service history needs to be rekeyed in these older systems. The inability to easily edit and make updates, whether there is an error or new data to be appended, can be time consuming and costly for HR retirement specialists.

Minimize Inaccurately Entered Data

Data accuracy is another major issue faced by specialists in the retirement field. The federal retirement rules and calculations are very complex, and it is easy for specialists to forget a rule and need to review and research information. Not only is this an inefficient use of specialists' time, it can also result in an inaccurate retirement package that is submitted to OPM.

Inaccuracies can also generate a future FERCCA case, which, when detected, requires a great investment of time and manpower to resolve. Even worse, undetected inaccuracies can result in an employee who has spent decades dedicated to federal service receiving a smaller annuity than to what he/she is entitled.

Security and Compliance in Technology Solutions

Security is a significant challenge for any government agency implementing cloud-based technology to modernize their retirement processing systems. An understandable concern is how secure a cloud-based application will be in comparison to physical data centers staffed by agency employees. To address these concerns and ensure optimal security, select cloud service providers are now FedRAMP authorized, meeting specific criteria to provide the best possible security to the Federal Government in handling its data.

The Risks Faced without Adequate Security and Applicable Certification

In response to a 2011 memo from White House Chief Information Officer, Vivek Kundra, the Office of Management and Budget (OMB) issued their FedRAMP Policy Memo. This memo established a government-wide security authorization program and is now mandatory for all US federal agencies and the cloud services they use.

The concern at the time was that cloud solutions, which offered substantial improvements in efficiency for many agencies, needed to be as secure and confidential as possible, meeting Federal Information Security Management Act (FISMA) and National Institute of Standards and Technology (NIST) standards. Government agencies are prime targets for cybersecurity attacks, potentially putting highly sensitive personnel data at risk of unauthorized access. FedRAMP formalizes a single authorization process for cloud service providers (CSP), streamlining the process of bringing on outside vendors for technology solutions, and ensuring they all meet stringent security requirements.

What It Means to be FedRAMP Compliant

While most vendors invest heavily in security for their solutions, FedRAMP compliance and authorization requires several specific features that are designed to maximize protection of Federal HR data. This includes:

- Service provider needs to have been granted an Authority to Operate (ATO)
- Service provider must address all requirements aligned to the NIST 800-53, Rev. 4 for moderate impact levels
- All system security packages must use FedRAMP templates
- Service provider must receive assessment by an independent auditor
- Must be posted to the FedRAMP secure repository

Another important factor to consider is the difference between FedRAMP Compliance (via FedRAMP Ready) and FedRAMP Authorization. The former is meant as a starting point for initiating authorization, but such systems cannot be used by agencies that require an Authorized system.

The benefits of working with FedRAMP authorized providers include:

- Reduced cost, time, and resources as providers have already been assessed at a government-wide level
- An improvement to real-time security visibility
- Greater transparency between the government and the service providers they work with
- Risk based management in a more uniform approach

For HR specialists, FedRAMP means access to more robust cloud solutions that can reduce the time spent processing and managing retirement applications, while meeting IT security requirements. With the challenges listed in this guide, this is more important than ever – enabling modernization at scale for a large workforce.



Promoting Financial Awareness Among Federal Employees

Congress directs agencies to support financial literacy among its civilian workforce. This means a clear understanding of their retirement options, and how to plan for the best possible outcome whether they are currently eligible to retire or approaching that point.

One of the best ways to support retirement actions at the federal level and ensure a smooth, streamlined process is to provide education and counseling, both at department levels and on a one-on-one basis.

Assistance with One-on-One Counseling

Hands-on counseling with financial professionals and specialists for federal employees who are eligible to retire or who are nearing retirement is immensely valuable.

For the retirement process, this is important because of how many different factors exist. Although workers can be eligible as early as age 55, they should understand how working longer (and ensuing salary increases) will affect their annuity and other parts of their retirement package. Employees also need to understand all the components of their retirement package (the annuity, TSP funds, social security, elections of health, dental, vision, and life insurance policies) and ensuing tax implications.

A retirement calculator supports your agency's HR specialist with this one-on-one counseling by its ability to quickly and accurately estimate a variety of retirement scenarios (e.g., immediate retirement vs. postponed retirement). It then generates a detailed output report which the specialist can share and review directly with the employee. This not only aids in the employee's understanding of how current decisions will affect their retirement, it also opens the door to communication and understanding what type of information is needed to generate a complete and accurate retirement package.

Assistance with On-Site and On-line Seminars

On-site and on-line seminars allow agencies to engage many employees and discuss common financial questions and issues. Live seminars offer the opportunity to coach employees with similar financial concerns through the application process, and ensure they have access to the tools and resources they need for their retirement planning.

During these seminars, topics may include financial planning for debt reduction, estimation of retirement benefits, common issues in retirement processing, and scenario comparison based on service time, age, and financial means.

On-line seminars allow employees to access information when it is convenient for them and allow the employee as much time as needed to absorb the information.



Projecting Retirement Benefits

It is more important than ever for federal retirees to project their benefits in advance to plan accordingly. Retirement planning tools can guide federal employees in several areas, including:

- **Post-Retirement Income Sources** – Evaluation of federal retirement annuities, social security benefits, and private investments.
- **Calculations for Early Outs** – Those who are retirement eligible before age 62 often have special circumstances and their retirement packages will reflect this.
- **Side-By-Side Retirement Scenario Evaluation** – For those evaluating when to retire, these tools can help to calculate what each scenario looks like, taking many factors into consideration.

FedHR Navigator Assists Agencies with Employee Retirement

EconSys has been a trusted partner to more than 100 federal agencies for more than 20 years. Our retirement calculator is among the most advanced currently available, built with the only OPM-certified FERCCA module on the market. Designed to build calculations for early-outs, phased retirement, death-in-service, severance, and many other situations, the EconSys FedHR Navigator Retirement Calculator can decrease time needed to build a retirement estimate by 75 percent.

Addressing Frequent Concerns in Retirement Processing

FedHR Navigator addresses the issues most commonly faced by HR specialists in processing retirement applications, including:

Rekeying Data - FedHR Navigator's retirement calculator offers advanced features for both capturing and correcting service history data, without the need for rekeying.

Processing Complex Cases - FedHR Navigator Retirement Calculator contains the only OPM tested and certified FERCCA module for assisting specialists in resolving these complex cases. It is programmed to calculate side-by-side estimates so that employees can make an informed decision.

Complex Rules and Regulations - Using the FedHR Navigator retirement calculator to compute a retirement estimate overcomes many of the rule errors since the annuity formulas and other related calculations are already programmed into it. If questions should arise about the input data, how a number is calculated, or any other question, assistance is just a click away.

Ensuring High Levels of Accuracy in Retirement Processing

FedHR Navigator contains all the forms needed for retirement requests and they can be filled out electronically. Information inputted on one screen automatically flows (populates) other forms in the system, saving the specialist valuable time and avoiding unnecessary input mistakes. Our e-Retirement Wizard provides a questionnaire style process for completing a retirement application – which not only prompts users for the correct data, but also alerts users when an error is detected. FedHR Navigator can also receive imported data directly from your agency every two weeks (i.e., employee and salary information from the National Financial Center)

To learn more about FedHR Navigator and how it can help reduce your time spent processing retirement applications, please [contact us today](#).





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