***FOOTE Notes on Retirement***

Topic: Federal Pension Issues

Scenario

Husband and Wife divorce after 22 years of marriage. Wife has worked for the Post Office for 20 of those years and may retire soon. Husband hires you to represent him.

Question

What are the issues both attorneys should be aware of in negotiating a federal pension in the community property settlement?

Proposed Answers

1. Is it a FERS Pension or a CSRS Pension or combination pension with service years under both?
2. Does the Husband qualify for lifetime health insurance benefits under the federal plan? If so, what should you do to assist in securing those health insurance benefits? Even if the Husband wants to waive his rights to wife’s pension as an offset, he should request being awarded $10 per month so that he is eligible for lifetime health insurance.
3. Is Husband eligible for survivorship rights? The federal pension system has an unique survivorship rule which states that any former spouse who remarries before age 55 is NOT eligible for survivorship rights even if it is stated in the property settlement and division order.
4. Did the wife have any military service credits that got transferred into the federal retirement system?
5. Will the property settlement award one half marital portion of the ‘net annuity’ or ‘gross annuity?’