

# An Introduction to Federal Employee Retirement Benefits and Divorce.

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# Retirement Systems



Civil Service Retirement System  
(CSRS)  
1920-1983

Federal Employees Retirement  
System (FERS)  
1984-Present

# Benefits and Court Orders

- **A court order related to divorce or separation can:**
  - Divide a CSRS or a FERS annuity
  - Divide a refund of CSRS or FERS employee retirement contributions
  - Provide a survivor annuity payable upon death of employee or retiree
  - Permit a former spouse to continue coverage under the Federal Employees Health Benefits Program (FEHBP)\*\*\*\*
  - Require an employee to cover their children under FEHBP
  - Require an employee or retiree to assign their Federal Employee's Group Life Insurance (FEGLI) coverage to a former spouse or children.
  - Require an employee to name their former spouse or children as beneficiaries under FEGLI.

# Benefits and Court Orders

- **A court order related to divorce or separation cannot:**
  - Make a former spouse of an employee or annuitant eligible for Federal Employees Dental and Vision Insurance Program (FEDVIP) benefits
  - Require an agency or retirement system to enroll an employee or annuitant in a FEDVIP plan to over their children
  - Make a former spouse a qualified relative eligible to enroll in the Federal Long Term Care Insurance Program (FLTCIP)

# ERISA and Federal Employees

- The Employee Retirement Income Security Act (ERISA) does not govern federal employees' retirement benefits.
- QUADROS may not be valid under CSRS & FERS.
- Real World example:
  - Under ERISA the former spouse's share of the benefit can begin when the employee reaches the minimum retirement age, even if the employee is still working.

THIS BENEFIT IS NOT AVAILABLE UNDER CSRS & FERS.

5 USC Ch. 84: FEDERAL EMPLOYEES' RETIREMENT SYSTEM  
From Title 5—GOVERNMENT ORGANIZATION AND EMPLOYEES  
PART III—EMPLOYEES  
Subpart G—Insurance and Annuities

## CHAPTER 84—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

### SUBCHAPTER I—GENERAL PROVISIONS

### SUBCHAPTER II—BASIC ANNUITY

### SUBCHAPTER III—THRIFT SAVINGS PLAN

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8434.	Annuities: methods of payment; election; purchase.
8435.	Protections for spouses and former spouses.
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8437.	Thrift Savings Fund.

# CSRS & FERS Annuity Benefit

- The court order must expressly direct the Office of Personnel Management to pay a portion of the monthly CSRS or FERS benefits.
- The spouse's share must be stated as a fixed amount, a percentage, or a fraction of the annuity or by a formula whose value is readily apparent from the face of the order and information in our files.
- The amount cannot exceed the amount payable to the retiree after deductions for taxes and insurance.

# Survivor Benefit to CSRS & FERS Annuities

- CSRS
  - If employee dies, a court ordered benefit is payable to a former spouse and the employee has completed 18 months of creditable civilian service
  - Survivor Annuity Payable
- FERS
  - If employee dies, a court ordered benefit is payable to a former spouse and the employee has completed 18 months of creditable civilian service –
  - A lump sum death benefit is payable, and a survivor annuity is also payable (10 years of creditable service)

# The Thrift Savings Plan IS NOT A 401K

- Therefore, the rules that apply to QDROs DO NOT APPLY to the TSP.
- Must have a valid Retirement Benefits Court Order (RBCO)
- TSP will not honor a court order asking for a single payment to be made jointly (\$100,000 to be divided among former spouse and dependents)



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