Calendar Year	Leave Year: Beginning Date to Ending Date	Best Days to Retire CSRS or CSRS Offset Employees	Best Days to Retire FERS/"Trans" FERS Employees
2017	1/8/2017 to 1/6/2018 (26 pay periods)	Jan. 3, Apr. 1, Apr. 29, Sept. 2, Sept. 30 and Oct. 28	Apr. 29, Sept. 30, Oct. 28 and Dec. 31
2018	1/7/2018 to 1/5/2019 (26 pay periods)	Jan. 3, Feb. 3, Mar. 3, Mar. 31, Apr. 28, Sept. 1 and Sept. 29	Mar. 31, Apr. 28, Sept. 29 & Dec. 31
2019	1/6/2019 to 1/4/2020 (26 pay periods)	Jan. 3, Feb. 2, Mar. 2, Mar. 30, Aug. 3, Aug. 31 and Sept. 28	Mar. 30, Aug. 31, Sept. 28 & Dec. 31

Best Dates to Retire for CSRS and FERS Employees During 2018 and 2019

My Federal Retirement
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Previous columns discussed the best dates to retire for CSRS and FERS employees to retire during the years 2009 through 2017. This column discusses the recommended best dates to retire for CSRS and FERS employees during 2018 and 2019, with an updated discussion for best retirement dates during 2017.

Before presenting these dates, it is important to review some retirement rules and issues affecting employees covered by the Civil Service Retirement System (CSRS)

(including CSRS Offset employees) and employees covered by the Federal Employees Retirement System (FERS) (including "Trans" FERS employees). Note that "Trans" FERS employees are employees who had at least five years of CSRS service and who voluntarily transferred to FERS (most probably during one of the two FERS "open seasons" in 1987-88 or during the last six months of 1998). "Trans" FERS employees are subject to the FERS rules with respect to retirement eligibility and are eligible to receive two annuities – a CSRS annuity based on the years of service they are covered by CSRS, and a FERS annuity based on the years they are covered by FERS.

Effective date of retirement and issuance of first annuity check

CSRS employees (including CSRS Offset employees) who are eligible to retire and who retire on the first, second, or third day of the month will have their retirement become effective on the next day of that month, and their first retirement check will be dated the first day of the next month. For example, if a CSRS or a CSRS Offset employee retired on Jan. 3, 2017, then the employee's retirement became effective on Jan. 4, 2017. The first CSRS annuity check will be dated Feb. 1, 2017. If a CSRS or a CSRS Offset employee retires on the 4th through the last day of the month, then the employee's retirement becomes effective the first day of the next month with the first annuity check dated the first day of the month thereafter. For example, if a CSRS or a CSRS Offset employee retired on Jan. 7, 2017 (the end of the 2016 leave year), then the employee's retirement becomes effective on Feb. 1, 2017, and the retired employee's first CSRS annuity check will be dated March 1, 2017.

FERS employees, including "Trans" FERS employees, are treated differently with respect to the effective date of their retirement and the issuance of their first FERS annuity check (and CSRS annuity check in the case of "Trans" FERS employees). Assuming a FERS/"Trans" FERS employee is eligible to retire, no matter which day of the month a FERS/"Trans" FERS employee retires, the employee's retirement becomes effective on the first day of the next month, with the issuance of the first FERS annuity check on the first day of the month thereafter. For example, if a FERS employee retired on Dec. 31, 2016, then the employee's retirement took effect on Jan. 1, 2017 and the annuitant's first FERS annuity check will be dated Feb. 1, 2017. If a FERS/"Trans" FERS employee retired on Jan. 3, 2017 (like the CSRS employee previously presented) then the employee's retirement becomes effective Feb. 1, 2017, and the retired employee's first FERS annuity check ("Trans" FERS employee: and CSRS annuity check) will be issued Mar. 1, 2017.

Treatment of unused annual leave at the time of retirement

All retiring employees are paid in a lump sum for any unused annual leave hours as of the day of their retirement. The lump sum payment will be directly deposited into the same bank account that a retiring employee's regular paychecks were directly deposited. Most agency payroll offices will make sure that the retiring employee's lump sum payment for unused annual leave is directly deposited into the retiring employee's bank account within 10 to 40 days following the employee's retirement date.

The fact that retiring employees receive their payment for unused annual leave hours very shortly following their retirement date is important because most retiring employees will not receive their first *full CSRS or FERS annuity check* until at least two months after they retire. Once retired, an annuitant receives "interim" annuity checks – *not full annuity checks*, equal to approximately 50 to 90 percent of the full annuity check. "Interim" checks are sent while the Office of Personnel Management's (OPM) retirement office adjudicates the recently retired employee's retirement file. In the meantime, the annuitant has bills to pay, and many retired employees use their unused annual leave lump sum payment, received by most retiring employees within 30 days of retirement, to help pay these bills.

An employee must be in "employee status" for his or her *entire* last pay period of work in order to accrue the full amount of annual leave hours for that last pay period. At most agencies, an employee who works a Monday through Friday 8 hour per day work schedule, and who retires before the official end of the pay period (which is the second Saturday of the pay period), will not accrue any annual or sick leave (see below) hours for that last period worked.

In selecting the best days to retire during 2017, 2018 and 2019, the issue of accruing the full amount of annual leave hours for the last pay period worked is an important consideration. Since most federal employees work a Monday to Friday 80 hour bi-weekly payroll schedule, it is assumed that the best day of the week to retire is the second Saturday of a pay period. However, there are two exceptions. The first exception are for employees who are on an Alternate Work Schedule (AWS) in which they work 9 hours a day for eight work days, one day for 8 hours and have one day off during the pay period. If an employee working under the AWS has as their "off" day the second Friday of the pay period, then that employee could retire on the second Friday and be able to accrue the full amount of annual leave hours for the last pay period worked. The same holds true if an employee works ten hours a day for eight days and is off both Fridays of a pay period. The employee could retire on the second Friday of the pay period and accrue the full amount of annual leave hours for the pay period.

The other exception is for employees who want to retire toward the end of the leave year before the start of the new leave year, and who want to receive their first annuity check on February 1st. In so doing, these retiring employees can almost maximize the amount of their unused annual leave hours. In particular, they are maximizing the carryover from the previous leave year of 240 hours plus assuming they are not using any annual leave in the current year and retiring at the end of the leave year, they can get paid for as much as 448 hours of unused annual leave (240 hour carryover and in the current leave year, accruing 8 hours each pay period for 26 pay periods or 208 hours and not using any annual leave hours) (if retiring in the middle of pay period 26 such as January 3, 2017, accruing 200 hours of annual leave hours and not accruing any leave hours in pay period 26) . For CSRS or CSRS Offset employees, this means retiring no later than Jan. 3, while FERS/"Trans" FERS employees could retire no later than Dec. 31. This assumes that the end of pay period 26, the end of the current leave year, occurs between Jan. 4th and Jan. 14th.

Retiring employees who have more than 240 hours of unused annual leave towards the end of the leave year do not want to retire after the start of the new leave year. This is because of the "use or lose" rule for unused annual leave. In particular, most employees cannot carry over more than 240 hours of unused annual leave into the new leave year.

Treatment of unused sick leave at the time of retirement

Effective Jan. 1, 2014, all retiring employees get credit for their CSRS and FERS annuities. As discussed above, for the treatment of unused annual leave, a retiring employee wants to retire at the end of a pay period in order to accrue the full amount of sick leave hours for the last pay period worked. This is 4 hours for full time employees. *Note that [unused sick leave](#) hours can be used only for CSRS or FERS annuity computation purposes and not for retirement eligibility purposes.*

With this background information in mind, the following table presents the best dates for CSRS or CSRS Offset and FERS/"Trans" FERS employees to retire during 2017, 2018 and 2019. The dates presented were selected under the following guidelines:

1. With the exception of Jan. 3, 2017, Dec. 31, 2017, Jan. 3, 2018, Dec. 31, 2018, Jan. 3, 2019 and Dec. 31, 2019, all of the dates presented are the official end of a pay period; that is, the second Saturday of the pay period.

2. For CSRS or CSRS Offset employees, the day of the month is within the last three days of the calendar month or the first three days of the following month. For FERS/"Trans" FERS employees, the day of the month is within the last three days of the month.

The logic behind retiring with the last three days of the month (CSRS or CSRS Offset and FERS/"Trans" FERS employees, or within the first three days of the following month (CSRS or CSRS Offset employees) is to allow a retiring employee to receive his or her first annuity check within 4 to 5 weeks of the employee's retirement date, as discussed above.