



**U.S. ARMY NAF EMPLOYEE
RETIREMENT PLAN**

March 2014

INTRODUCTION

This booklet is published by the U.S. Army NAF Employee Benefits Office. It is intended to provide you with useful information about the U.S. Army NAF Employee Retirement Plan. This information in this booklet is accurate as of the publication date. However, because applicable plan documents change from time to time, should the information in this booklet conflict with the provisions of the Army NAF Employee Retirement Plan document, the Plan document is the final authority. The full text of the Plan document can be found in the Retirement Section of the NAF Benefits website, www.nafbenefits.com.

Should you have any questions concerning the Retirement Plan, please contact your servicing NAF Personnel Office or forward your questions to the Retirement Team at usarmy.jbsa.imcom-hq.mbx.naf-benefits-office-retirement-team@mail.mil.

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JOINING THE RETIREMENT PLAN

WHO MAY PARTICIPATE

You may elect to participate in the retirement plan if you are in an “eligible class.” You are eligible if you are:

- A regular fulltime or regular part time NAF employee working at least 20 hours a week

AND

- Working in one of the 50 United states, the District of Columbia, or Puerto Rico

HOWEVER

- If you are working overseas, you must be a U.S. citizen or the spouse or child of a U.S. citizen.
- After 28 December 2001, participating employees of the U.S. Army NAF Retirement Plan who accept appropriated fund employment within one year of NAF separation may exercise their right to remain in the Army NAF Retirement Plan, in accordance with Public Law 107-107. Please refer to the Portability Decision Guide in the Portability Section of www.nafbenefits.com.

(Employees of the Army Air Force Exchange Service, “leased employees,” and military personnel may not participate in the retirement plan.)

WHEN TO JOIN

Effective 1 January 2001, participation in the NAF Retirement Plan became mandatory for new hires, rehires and those who become eligible for benefits. Participants may opt out of the Plan after they have participated for six months. Employees, who opt out after six months, will only be able to receive a refund of their Retirement Plan contributions when they separate or convert to an ineligible status.

If an Employee who has been a Participant in the Plan elects to cease his/her participation for reasons other than retirement, death, termination of employment, or termination of eligible employment status, such Employee shall have the right to rejoin the Plan by giving such notice as the Benefits Program Manager may require.

HOW TO JOIN

To join the retirement plan you must fill out and sign a DA Form 3473, which is available from your Human Resources Office.

COST OF THE RETIREMENT PLAN

Your cost to participate in the Retirement Plan is 2% of your salary, which is deducted from your pay each pay period. Additionally, your employer contributes 7.6% of your salary to fund your retirement. Your contributions and your employer's contributions are deposited into the Army NAF Retirement Trust. Those funds are invested by the Trust and used to pay your retirement benefits when you retire.

PARTICIPATION BEGINS

If your hire date is on or after 1 January, 2001, your participation begins on your hire date.

If you were an eligible NAF employee prior to 1 January 2001, your participation begins on the date you signed your Enrollment Form, DA Form 3473.

CREDITABLE SERVICE IN THE PLAN

You receive creditable service for retirement:

- For all periods of NAF service during which you were participating in the Retirement Plan and making contributions.
- For periods of APF service after electing continued participation in the NAF Retirement Plan under the Portability of Benefits legislation.
- For periods of NAF service with another military or exchange service. However, if you were not vested in that service NAF retirement plan (less than five (5) years of service), this service may only be used for retirement eligibility, and there will be an actuarial reduction of your retirement annuity for those periods when your contributions were made to the other service NAF retirement plan. . If you were vested in the retirement plan of another service or exchange retirement plan, please see the section on NAF to NAF Portability.
- For up to five years of honorable military service which you purchased in the Military Service Purchase Program. See the section on Purchasing Military Service for details.

- For up to 12 months during Leave Without Pay (LWOP), provided you were participating in the Retirement Plan, immediately preceding and immediately after the period of LWOP.
- Employees who are members of the Reserves and are called to active duty will receive creditable service during their entire period of military furlough in accordance with the Uniformed Services Employment and Reemployment Rights Act.
- Except as noted above, you do not receive creditable service for retirement for periods of service during which you were not participating and making contributions to the Retirement Plan.

VESTING IN THE RETIREMENT PLAN

You are vested in the retirement plan when you have contributed to the plan for 5 years. Vesting means you are entitled to receive a lifetime monthly benefit when you reach the required retirement age. Vesting also means that your spouse is entitled to a survivor benefit upon your death. See the section entitled Survivor Benefits.

Note: Military Service may not be used to achieve vesting.

PARTICIPATION ENDS

You may stop your participation in the retirement plan and stop making contributions at any time. If you rejoin the retirement plan, you must complete, sign and date a DA Form 3473 at your servicing Human Resources Office.

Your participation automatically stops when you terminate employment or when you become ineligible because of a change from a regular position to a flexible position.

TERMINATION OF EMPLOYMENT

Your employment may terminate in the following ways: You may resign, be terminated or affected by a reduction due to a business based action.

If you are separated for any reason, you have the following choices:

- You may take a refund of your contributions. See the section entitled Refunds.

- You may leave your contributions on deposit for up to 5 years, if you are not vested. After 5 years of your termination date, your money will be refunded to you. If you are re-hired after 1 January 2001 in an eligible class within 5 years, you will automatically be enrolled in the retirement plan.
- If you have 5 or more years in the retirement plan, you may delay starting your monthly benefit and take a deferred monthly benefit which can start as early as age 52. See the section entitled Retirement Plan Benefits.

If you die while still employed:

- Your survivor will receive a monthly benefit or a refund of your contributions, depending on your credited service. If you die and you were eligible for a normal or early retirement annuity, your spouse will be paid under the 55% or 100% continuation option (whichever is greater). If you are under the age of 62 at time of death, your spouse will also receive 55% of your supplemental early retirement benefit (SERB). The SERB will stop the month before the participant would have reached age 62. If you die and had not attained the age for a retirement benefit, but you were vested in the retirement plan, your spouse will receive 55% of your benefit, unreduced for age. See the section entitled Survivor Benefits.

RETIREMENT PLAN BENEFITS

REFUNDS**

You may receive a refund of your contributions plus 3% interest, compounded annually, under the following conditions:

- When you terminate employment for any reason.

Note: If you get a refund and are later rehired, you may redeposit your prior contributions by repaying the refund plus 3% interest compounded annually. This must be done within 2 years of your re-hire date. If you wait longer than 2 years to redeposit your refund, you may still redeposit the refund; however, 8% interest, compounded annually, will be added for every year the money was not on deposit in the Retirement Trust.

- If you choose not to redeposit the refund, you may still receive creditable service for the period of refunded service. However, your benefit will be actuarially reduced to offset the missing contributions and interest.
- When you change to an ineligible employment status (FLEX).

*****If you are vested (participated for 5 or more years), a refund of your money and interest is probably not the best option for you. Generally, if you elect a monthly benefit, your contributions and interest are returned to you within one to two years of monthly benefit payments. You will receive a retirement benefit for the rest of your life! Also, after your death, under the 55% or 100% contingent option, your spouse will receive a retirement benefit for the rest of his or her life! If you get a refund, you lose these benefits.***

Note: If you are married for longer than one year and have more than 5 years credited service, your spouse must sign a spousal waiver before a refund of your contributions is processed. This is required, because once you are vested, your spouse is entitled to a survivor benefit upon your death.

HOW TO REQUEST A REFUND

When you terminate employment, you will be required to make an election concerning the disposition of your retirement benefits on a DA Form 3715-R during out-processing at your servicing Human Resources Office. Your personnel office will verify the forms, which also include a W-9 and direct deposit form, and submit them to the NAF Employee Benefits Office for processing of your refund. Please allow 45 days for processing.

You are required to claim the interest on your tax return for the year in which the refund is issued. You will receive a 1099 form for this refund via mail. Please ensure you notify the NAF Employee Benefits Office if your mailing address changes during the year to ensure you receive your 1099 in a timely manner.

MONEY ON DEPOSIT

If you have less than five years of creditable service in the Retirement Plan when you terminate employment, and you expect to be rehired in an Army NAF position within 5 years, you may request that your money (contributions) remain on deposit. When you return to NAF employment and restart participation, all of your service will be fully creditable for retirement.

If you are not rehired within 5 years, your contributions plus interest will be refunded.

RETIREMENT BENEFITS

The following types of retirement benefits are available for you as a vested participant in the U.S. Army NAF Retirement Plan.

NORMAL ANNUITY

You can retire at age 62 or later if you have at least 5 years credited service in the retirement plan. The normal monthly benefit provides a basic calculation from which all other benefit amounts and options are figured.

<u>Age</u>	<u>Years of Credited Service</u>	<u>Remarks</u>
62	5	Benefit not reduced

EARLY ANNUITY**

You can retire before reaching the normal retirement age of 62 if you have or exceed one of the following combinations of age and service listed below:

<u>Age</u>	<u>Years of Credited Service</u>	<u>Remarks</u>
50	20	Reduced benefit*
52	5	Reduced benefit*
60	20	Benefit not reduced
55	30	Benefit not reduced

**This early retirement benefit is reduced by 4% for each year you are under the normal retirement age of 62.*

***Additionally, employees electing this benefit will receive a supplemental early retirement benefit (SERB) in addition to the early monthly benefit until his/her 62nd birthday. (See the section entitled Supplemental Early Retirement Benefit {SERB}.)*

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA) AND DISCONTINUED SERVICE RETIREMENT (DSR)

The Army NAF Retirement Plan includes a VERA/DSR benefit when installations are undergoing a substantial reduction (VERA) or when an individual's position is eliminated due to a Business Based Action (DSR).

Eligibility requirements are 25 years of credited service at any age, or age 50 with 20 years of credited service. Participants who meet eligibility requirements for VERA/DSR will have their benefit reduced by 2% per year for each year under age 55, compared to the reduction of 4% per year for each year under age 62 for the early reduced retirement benefit explained above. (Installation NAF Instrumentalities (NAFIs) are required to make an additional contribution to the Retirement Trust to fund the VERA/DSR benefit for eligible employees affected by reductions or Business Based Actions.) The amount of the deposit changes

annually and is published in the Installation Management Command G9 Operating Guidance.

DEFERRED ANNUITY

If you separate employment before age 62 and are vested in the Retirement Plan, you may elect a deferred annuity, which would allow you to start receiving your monthly retirement annuity as follows:

<u>Age</u>	<u>Years of Credited Service</u>	<u>Remarks</u>
52	5	Reduced benefit
62	5	Benefit not reduced

Note: Retiree medical and life insurance benefits are not available to employees who elect a deferred annuity.

DISABILITY ANNUITY

The Army NAF Retirement Plan offers a disability retirement benefit if an employee is determined to be totally and permanently disabled. Permanent disability means you cannot perform useful and efficient work in your position or similar as determined and approved by the Benefits Program Manager. The criteria for disability retirement are as follows:

<u>Age</u>	<u>Years of Credited Service</u>	<u>Remarks</u>
52 <u>or</u>	5	See the following

A participant in the retirement plan prior to 2009, who is deemed permanently disabled and is at least age 52, must have at least 12 or more months of retirement service immediately preceding the retirement request. Participants under age 52 and those hired after 2009 must contribute to the retirement plan for 5 years before applying for disability retirement.

To apply for the disability retirement benefit, your disability must have happened while you were employed. Your application or disability benefits should be initiated as soon as possible, but in all cases application for disability benefits must be submitted within 60 days after your separation. Disability Retirement applicants must exhaust their entire sick leave balance prior to separation. Disability Retirement application must be submitted on a NAF Benefits Form 766-R.

(If you have less than 5 years of credited service, you must have contributed to the retirement plan for at least 12 months immediately preceding your request for disability retirement to be eligible for a disability benefit and you must be at least age 52.)

Note: If you are receiving workers' compensation benefits, your disability benefit when combined with your workers' compensation benefit, cannot exceed 90% of your HI-3 salary used in figuring your monthly benefit.

SURVIVOR BENEFITS

Before retirement

- If you die before you retire and have less than 5 years credited service, your contributions plus interest will be paid to your spouse, beneficiary, or estate.
- If you die before you retire and have more than 5 years credited service, a survivor benefit will be paid to your spouse or your contributions plus interest will be paid to your designated beneficiary or to your estate, if you do not have a surviving spouse.

After retirement

- If you die after retirement but before you receive a monthly benefit, a survivor benefit will be paid to your spouse or your contributions plus interest will be paid to your designated beneficiary or to your estate, if you do not have a surviving spouse.
- If you die after you retired and you have started getting your monthly benefit, either survivor or death benefits will be paid based on the option you elected at retirement.

Note: In order for your spouse to qualify for the 55% spouse survivor benefit, you must have been married for 12 months immediately prior to your retirement date or your date of death, unless there is a dependent child of the marriage.

HOW AND WHEN TO APPLY FOR RETIREMENT

Application for retirement benefits must be made on a DA Form 3715-R. Your Human Resources Office will help you prepare your retirement packet. You should submit your retirement packet between 30 and 45 days prior to your desired retirement date.

CALCULATING YOUR ANNUITY

You can run a projection of your estimated retirement annuity at anytime by going to www.nafbenefits.com and clicking on the link for Employee Benefits On-line. You will need to establish a user name and password to access the system. A user guide is also available at this link to assist you.

YOUR ANNUITY OPTIONS

When you retire you must choose from several benefit options. If you are unmarried, you may choose any payout option except the 55% continuation to the spouse option. If you are married, you must choose either the 55% continuation option or the 100% continuation option, unless your spouse waives his/her rights to that benefit. You must have been married for one year prior to your retirement date for your spouse to qualify for the spousal benefit. These are the options:

Life Annuity

- The full amount of your monthly annuity without reduction to provide for a survivor benefit. (Note: If you die prior to the payout of your actual contribution balance, the remainder will be paid to a beneficiary that you must designate at retirement.)

5 Year Certain

- A reduced monthly benefit, which you receive for life. If you die before you receive 60 monthly payments, the remaining monthly benefits are paid to your beneficiary.

10 Year Certain

- A reduced monthly benefit, which you receive for life. If you die before you receive 120 monthly payments, the remaining monthly benefits are paid to your beneficiary.

100% Continuation to Spouse (or other contingent beneficiary)

- A reduced monthly benefit, which you receive for life. When you die, your beneficiary receives 100% of your reduced monthly benefit. If you are not married, or your spouse waives his/her rights to your benefit, then you may request a calculation of this benefit with any one beneficiary of your choosing. You will need to provide the NAF Employee Benefits Office with the date of birth of your contingent annuitant in order for us to calculate the benefit.

55% Continuation to Spouse

- A life annuity monthly benefit, which is reduced 10%. The reduction may be more if the age difference between you and your spouse exceeds 10 years. When you die, your spouse receives 55% of the life annuity benefit amount for life

Small Benefits – Actuarial Lump Sum

If your monthly benefit is less than \$50 a month, you will be paid a single lump sum, which is the actuarial equivalent of the monthly benefit for life. If your monthly benefit is between \$50 and \$100, you will have the option of a quarterly payment or a single lump sum, which is the actuarial equivalent of the monthly benefit for life. If you get a lump sum that payment completes the obligation of the retirement plan.

IMPORTANT NOTE: *The option you elect at retirement is a one-time life election which cannot be changed later under any circumstances. Contingent beneficiary designations may not be changed, even if the designated beneficiary predeceases you.*

A WORD ABOUT SOCIAL SECURITY AND TAXES

There is no social security offset provision in the Retirement Plan, which means your annuity will not be reduced when you start drawing your social security benefits. Your monthly annuity is taxable income, except for a small portion which is attributable to your actual contributions, because your contributions were after tax dollars. Therefore, Federal Income Tax will be withheld from your monthly annuity. State income taxes may also be withheld if your state of residence taxes pension income. You should check with your state tax office. Social Security (FICA) is not withheld from your monthly annuity, because pension income is considered unearned income for Social Security purposes. Disability retirement annuities are normally not taxed until age 62. At that point, your annuity converts to a normal pension for tax purposes. Individual tax questions should be referred to your tax advisor or accountant. The NAF Employee Benefits Office cannot provide tax advice.

COST OF LIVING ADJUSTMENTS

The NAF Employee Retirement Plan applies a Cost of Living Adjustment (COLA) each year if approved, which will be added to your monthly annuity payment starting on the 1st of April each year. If you have been retired less than a year,

your first COLA will be prorated based on the number of months you have been retired prior to the COLA. The COLA is determined by the Consumer Price Index, which is used to determine COLAs for Social Security Benefits and both Federal and Military Retirement payments.

PURCHASING MILITARY SERVICE CREDIT

Participants in the plan may receive credit for qualifying military service not to exceed 5 years. Qualifying military service can become credited service under the Plan by meeting all of the following requirements:

- The service must have been terminated under honorable conditions in the Armed Forces of the United States including the Army, Navy, Air Force, Marine Corps, or Coast Guard.

The following types of separations are honorable:

- Under honorable conditions
- Separation because of hardship
- Transfer to retired list because of age or disability
- Transfer to Fleet Reserve
- Furlough to Reserve Forces
- General discharge under honorable conditions and
- Death in action

The military service may not have been used previously, concurrently, or subsequently for either entitlement or computational purposes in any other retirement system or retirement plan including, but not limited to the Retirement System of the Armed Forces of the United States (except for individuals receiving military retired pay awarded on account of a service-connected disability incurred in combat with an enemy of the United States or on account of a service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war, or under the provisions of 10 United States Code 1331-1337, Chapter 67 which grants retired pay to members of reserve components of the armed forces on the basis of age and service), the Civil Service Retirement System (CSRS), the Federal Employees' Retirement System (FERS), the retirement systems of any other nonappropriated fund instrumentalities of the United States, of any State or instrumentality thereof or any municipality or instrumentality thereof. Military service which has been credited under any of the foregoing will not be creditable under the U.S. Nonappropriated Fund Employee Retirement Plan.

- The military service must have been performed before the date of the separation from the civilian position from which the annuity is based.

- The participant must complete a deposit to the Plan as prescribed by the Benefits Program Manager prior to the commencement of the benefit entitlement. Survivor(s) of a participant who provided written notice to the Benefits Program Manager of his/her intent to purchase eligible military service, but was prevented due to separation from completing the purchase transaction, will be afforded an opportunity to complete the transaction in a lump sum prior to commencement of payment of any benefit from the Plan.

Instructions for Purchasing Military Service Credit

Instructions and the forms necessary for a Retirement Plan participant to purchase military service credit can be found the NAF Benefits website, www.nafbenefits.com.

- The participating employee begins the process by signing and forwarding the “Statement of Intent” Form Letter and EBB Form 2800, “Application to Make Deposit for military Service” to the NAF Employee Benefits Office, along with a copy of the DD Form 214.
- Non-participating employees must first join the Retirement Plan and then follow instructions for participating employees.
- The participating employee must provide documentation of base military pay for the military service recognized by the Plan. Acceptable base pay documentation includes:
 - Actual pay records for the entire period of military service attached to EBB Form 2800 or
 - EBB Form RI 20-97, “Estimated Earnings During Military Service.” Note: The applicant should report earnings for the earliest 5 years of service if more than 5 years were served.
- Upon receipt of the above information and documentation, the NAF Employee Benefits Office will compute the amount due (the deposit) for the military service credit. The NAF Employee Benefits Office will compute 7% of base military pay for the entire period of creditable military service. If the participant has more than 5 years of services, the NAF Employee Benefits Office will compute the 7% of the lowest salaried 5 year period of military service.
- If the entire deposit is not paid within the time period described below, the NAF Employee Benefits Office will compute interest at 8% compounded annually:

- for employees who were participating in the Plan on 1 January 1998, interest is first added to the unpaid balance of the deposit on 1 January 2001.
- for employees or participants whose entrance on duty date is 1 January 1998 or later, interest is first added to the deposit and computed on the unpaid balance of the deposit 3 years from the participant's entrance on duty date.
- If an employee desires, the deposit may be made through payroll deduction over a period of up to 2 years (52 pay periods). Interest will be added at the rate of 8% compounded annually. The minimum bi-weekly payment amount is \$50.00. The NAF Employee Benefits Office will provide the participant with a payment election of a bi-weekly payment or one lump sum payment.

Military service will not be credited until full payment of the deposit has been received by the NAF Employee Benefits Office. If the participant has not paid for the whole period of military service by his/her separation date, he/she (or the survivor(s), if applicable) will be afforded an opportunity to deposit any balance remaining in a lump sum. If the remaining balance is not paid by the participant or survivor(s) in a lump sum, all partial payments received by the NAF Employee Benefits Office will be refunded to the participant or survivor(s) as appropriate, and no military service will be credited. Military service credit may not be used for vesting purposes. Therefore, if the employee separates before participating in the retirement plan for 5 years, he/she will receive a full refund of the military service credit deposit, as well as their contributions to the retirement plan.

Military service deposits are not required for periods of military service prior to 1 January 1957.

PORTABILITY OF BENEFITS

Under certain circumstances, Army NAF Employees may receive credit for service when moving between NAF Retirement Systems of the other military or exchange services or they may continue to participate in their original Retirement System when moving between APF and NAF positions under the Portability of Benefits legislation. This section provides a brief overview of how portability works. Also, the Employee Portability Decision Guide, published by the NAF Employee Benefits Office, is a useful source of information. More detailed information is available in the Portability Section of the NAF Benefits website, www.nafbenefits.com.

NAF to NAF Portability

Between DoD NAFIs of different branches of the Armed Forces (AAFES, U.S. Marine Corps, Air Force, Navy, Navy Exchange, or Coast Guard): Please refer to DoDI 1400.25-V1408, 21 July 2009, (Enclosure 4) for more detailed information located at www.dtic.mil/whs/directives/corres/pdf/1400.25-V1408.pdf.

If you are participating in the Army NAF Retirement Plan and you terminate employment (for reasons other than retirement) and you are employed by a different DoD NAFI within 90 calendar days, you may carry forward your credited service from the Army NAF Retirement Plan. This does not apply to transfers, which occurred between August 1975 and April 1983, except for transfers of function or reduction in force. (Exception: If the other DoD NAFI does not cover part-time employees then credited service for Army NAF is not allowed.)

If you are not vested in the Army NAF Retirement Plan, your Army NAF service will be counted in determining retirement eligibility. However, your annuity will be actuarially reduced for your Army NAF service. You will however, receive a refund of your contributions with interest for your Army NAF service when you transfer.

If you are vested in the Army NAF Retirement Plan, upon retirement from the other DoD NAFI, you will receive two monthly benefit checks, one from Army and one from the other DoD NAFI. Your benefit will be computed at the time of your retirement based on the annuity formula used by the service from which you retire.

If you are vested in the Army NAF Retirement Plan at the time of transfer, and you want portability of benefits, you may choose not to receive your Army NAF monthly benefit until you retire from the other DoD NAFI. If you have reached retirement eligibility for an Army NAF monthly benefit and you choose an Army NAF monthly benefit, portability of benefits will not apply for you. You will be treated as a new hire at the other DoD NAFI as if you never had any prior Army NAF credited service.

The same procedure applies in reverse, if you transfer from another DoD NAFI to Army NAF.

Your servicing Human Resources Office should contact the NAF Employee Benefit Office when you transfer employment within 90 calendar days to another DoD NAFI so your benefit can be figured at the time of transfer.

NAF to APF and APF to NAF Portability

Between a Nonappropriated Fund Retirement Plan and Federal Employee Retirement System (FERS) or Civil Service Retirement System (CSRS) for

Appropriated Fund employees or the reverse. Please refer to the DoD Portability of Benefits for Moves Between Civil Service and NAF Retirement Systems Reference Guide in the Portability section of www.nafbenefits.com.

Note: Because the Thrift Savings Plan (TSP) is an integral part of the Federal Retirement System and the NAF 401(k) Saving Plan is an integral part of the NAF Employee Retirement Plan, an election to a retirement plan provides opportunity to remain in the associated Thrift or 401(k) Savings Plan.

Public Law 101-508 – (Effective 1 January 1987) Allows vested NAF employees to remain in the NAF Retirement Plan if they move to an APF DoD job within 3 days. It also allows vested Army APF employees to choose to remain in CSRS or FERS, if they move from a regular APF job to a regular NAF job within DoD and within 3 calendar days. This law was amended in 1996. Please read the next law (P.L. 104-106) for moves that occur on or after 10 August 1996.

Public Law 104-106 Section 1043 – (Effective 10 August 1996) Allows up to a one year break in service and up to one year to make a retirement system election as long as the election is made within 31 days of the APF appointment. This law expanded moves to include the entire Federal Government; not just with DoD. This law did not change the eligibility and still required employees to be vested in the losing retirement system. Anyone who exercised their portability rights under P.L. 101-508 cannot also exercise them under P.L. 104-106. This law was amended on 28 December 2001. Please read the next law (P.L. 107-107) for moves that occurred on or after 28 December 2001.

Public Law 107-107 Section 1131- (Effective December 2001) Removes the vesting requirement of P.L. 101-508 and 104-106 and allows the employee to continue coverage in the retirement plan that covered them immediately before the move. The move still must occur with a break of not more than one year.

Section 1132 - (Effective 22 January 2003) Provides CSRS or FERS employees the opportunity to use any service with a DoD or Coast Guard NAFI. This includes service covered by a NAF Retirement Plan as well as service not covered by a NAF Retirement Plan.

You must be given an opportunity to make this lifetime election. You are responsible for any prior contributions due the Army NAF Retirement Plan or FERS or CSRS, whichever you elect. You must complete RI-38-134 (April 2002) at your servicing Human Resources Office. If you elect to remain in the Army NAF Retirement Plan, you may never be in FERS or CSRS and vice versa. This election follows you for the rest of your career regardless of future retirements. If you elect to remain in the Army NAF Retirement Plan, you are eligible to participate in the Army NAF 401(k) Savings Plan. You must complete a new 7426 form. Please see the Portability Section of the NAF Benefits website, www.nafbenefits.com.

If you elect to remain in the Army NAF Retirement Plan, you will participate in the APF medical and life insurance plans at retirement, provided the minimum participation requirements have been met. Army NAF medical and life plan participation time can be used to meet the APF required medical and life plan participation time, at retirement. Please see the Portability of Benefits Handbook located in the Portability Section of www.nafbenefts.com.

U.S. Army NAF Retirement Charts

SICK LEAVE CONVERSION CHART

Hours of Sick Leave	Months of Credit
80 or less	0
81 - 240	1
241 - 400	2
401 - 560	3
561 - 720	4
721 - 880	5
881 - 1040	6
1041 - 1200	7
1201 - 1360	8
1361 - 1520	9
1521 - 1680	10
1681 - 1840	11
1841 - 2080	12

Note: For unused sick leave of more than 2080 hours, add one month of credited service for each increment of 160 hours over 2080 hours.

EARLY RETIREMENT REDUCTION CHART

Retirement Age	Reduction%
61	4%
60*	8%
59	12%
58	16%
57	20%
56	24%
55**	28%
54	32%
53	36%
52	40%
51	44%
50	48%

*No reduction if age 60 with 20 years or more participation

** No reduction if age 55 with 30 years or more participation

YOUR NAF EMPLOYEE RETIREMENT PLAN

Your NAF Employee Retirement Plan is an important and valuable benefit provided by your employer. It is an integral part of your retirement planning, along with Social Security and your 401(k) Savings Plan. It is a valuable asset to help you achieve financial security in retirement.

We hope that this booklet is helpful to you in managing this valuable benefit. Should you need additional information, please consult the Retirement Plan Section at www.nafbenefits.com, visit your servicing Human Resources Office or call the NAF Employee Benefits Office.

WHERE TO GET INFORMATION AND ASSISTANCE

U.S. Army NAF Employee Benefits Office
P.O. Box 340309
Joint Base San Antonio Fort Sam Houston, TX 78234

1-855-872-7704 or 210-466-1638 or DSN 450-1638
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