



Dillard

Financial Solutions Inc.

"Guiding Your Money To Safety"

Safe Retirement Planning



FIRST QUARTER 2013 NEWSLETTER

TRUST IS A MUST IN 2013

Steve Dillard

HELLO AND HAPPY NEW YEAR! You are going to start seeing some big changes this year in regards to your retirement income. You may have questions about what effects your decisions will have on your money and what changes the future holds. There's good news; We have the answers to your questions. Our diverse team has the strategies in place to protect your retirement dollars as well as your income from loss due to market risk while keeping your money up with inflation. Having a team of professionals on *your* side to help keep you up to speed on changes and what to do with this information is important to maintaining the lifestyle you are accustomed to. Who ever said you can't have safety and growth on the same dollar at the same time? We can honestly say that not a single one of our clients have ever lost a dime due to market risk, not one!

This time last year in the US, we had over 464 bank failures with a total loss of over \$680 billion dollars. In 2013, there are another 200 banks at risk worth over 43 trillion dollars. Compare those numbers to the number of insurance companies that failed or defaulted last year: 0. That's right. Not a single insurance company defaulted. (Source: Weiss & Associates)

We can educate you and your friends and loved ones on Safe Retirement Planning. From 2000-2012, our clients have seen an average of 4.5-8% growth on their income riders, which are part of the Indexed Annuities. All of them are staying up with inflation and growing their money regardless of what the market is doing. Now is the time to move your hard-earned retirement dollars to safety. Please encourage your friends and loved ones to do the same. Dillard Financial Solutions, Inc., can help you achieve peace of mind when it comes to your retirement income. We hope that you will take a moment to share this valuable information with your colleagues, friends and family members that may not be familiar with our products and services.

Please be sure to call us at **1-800-692-7643** for a complimentary review of your benefits.



Steve and Teresa Dillard
Federal Benefits Educators

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Financial Goals for My Money in 2013

1. *Safety*
2. *Growth*
3. *No Fees*
4. *Tax-Free*

*It's a new year and a great time
to set some new goals for financial
success. Call us at 1-800-692-7643
to get a head start in 2013!*

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Why Choose a National Ethics Association Certified Member?

In Today's Financial World... *TRUST IS A MUST*. Now, more than ever, there is an increased need to know who you can trust in the financial services industry. By choosing an approved member of the National Ethics Association™, you will gain the added assurance of knowing that you are working with an advisor who has successfully passed our Ethics Check System™ and has agreed to maintain our membership standards. Dillard Financial Solutions, Inc. is a Certified Member of the NEA (National Ethics Association). The NEA is a membership organization of financial professionals who have successfully passed a series of background checks and have agreed to uphold the principals and standards of the NEA.

All members are admitted into NEA's online national registry, where consumers can view a member's approval status and professional profile. NEA is not a financial designation, nor does it sell or endorse any financial products. The background check includes: Criminal background check, Professional license check and Civil background check.

To learn more about the NEA, visit www.ethics.net

Our Staff of Professionals at the Home Office is Here to Help!



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*He said to them, "Go into all the world
and preach the gospel to all creation." – Mark 16:15*



Last year was a tough year for me. I lost my daddy and just a few months later, I lost my mama. Through your prayers and God's Amazing Grace, I was lifted up. Thank you from the bottom of my heart.

— Teresa Dillard



HELPFUL TAX TIPS YOU NEED TO KNOW FOR 2013

1. IT'S BEST IF YOU E-FILE: E-filing can save trees, time and money for the IRS and for you. If you use tax software, the forms you need will be built right in, and if you're owed a refund, you'll get it faster. And, through a special LearnVest partnership, you can get H&R Block's basic federal filing package (normally about \$20) for free just by signing up for our Ace Your Taxes Bootcamp.

However, there are a few instances in which you must file a paper return. Note that tax refunds this year will be delayed an extra week or two, so prepare yourself.

2. IF YOU GET ONE THING RIGHT, MAKE IT YOUR FILING STATUS: Filing status is important because it can determine how much you pay (or save) in taxes. Also, if you get it wrong, it will definitely stick you with a dreaded audit. Your filing status basically expresses how you wish to be treated by the IRS, and can determine which deductions and credits you are allowed to take, which forms you should fill out and more.

3. THE MAGIC NUMBER IS YOUR ADJUSTED GROSS INCOME: As you do your taxes, you'll see a lot of instructions like, "if your AGI is less than \$100,000" or "up to 10% of your AGI." Here's how AGI works: We report our income, but then the government subtracts certain expenses, such as education tuitions or IRA contributions, to determine our adjusted gross income, or AGI. Our AGI, in turn, determines what credits and deductions we might be eligible for, and how big they are. After taking these additional deductions, credits and exemptions (all of which are described below), we arrive at our taxable income.

4. EXEMPTIONS ARE A QUICK WAY TO LOWER YOUR TAX BILL: Did you know that you get a sort of tax discount just for the fact that you are a contributing member of society, that you're married or that you have children? These discounts are called exemptions, and they reduce the income amount you will be taxed on..

5. A \$1,000 CREDIT EQUALS \$1,000 IN SAVINGS: Unlike exemptions in the example above, which lower the amount of income you are taxed on, credits directly reduce the amount of taxes you owe. So if you owe \$3,000 in taxes, a credit will be subtracted from that. To put it another way, if you receive a \$1,000 credit, that means you will pay \$1,000 less in taxes. It's sweet and simple—a rarity in the tax code.

6. ITEMIZING YOUR DEDUCTIONS COULD SAVE YOU THOUSANDS: One big decision you'll have to make is about itemizing, and you have two choices. You could:

- a. Take the standard deduction. If your taxes are simple, the government won't make you go through a complicated process to get the deductions you deserve. Instead, you can use the standard deduction which—like the exemptions we mentioned above—reduces the amount of income you will be taxed on. Most taxpayers take the standard deduction, which is worth anywhere from \$5,800 to \$11,600.
- b. Itemize your deductions. Itemizing your deductions means listing out each deduction you qualify for. People do this when the sum of all their deductions is greater than the standard amount. Some things people might itemize include medical expenses, large charitable donations and mortgage interest payments.

Continued on Page 4

The standard vs. itemized decision is really a question of money and time. For some people, taking the time to itemize could save them hundreds or thousands of dollars in taxes. But if you don't need to itemize, then doing so could take up your time without any financial benefit.

7. AUDITS AREN'T THE END OF THE WORLD: Yes, they are frustrating. But being notified of an audit won't bring your financial world crashing down. In order to quickly process millions of tax returns, the IRS has certain flags that will automatically trigger an audit. That doesn't necessarily mean you've done something wrong, just that your return has something that might signify you're trying to defraud the IRS or that you made more than just a simple math mistake somewhere. (The IRS will correct basic math mistakes for you.)

If you did everything correctly on your return, you should be able to prove that you are paying all of your taxes. The IRS will agree with you and leave your return the same, and the audit will be over without any fines or (heaven forbid) jail time. Phew! If you made a mistake, you may have to pay more in taxes, interest or a penalty.

8. YOU CAN FILE AN EXTENSION FOR PAPERWORK, BUT NOT FOR PAYMENT: If you just won't be able to file your taxes on time, the IRS understands. (Their reputation for fierceness is a bit overblown.) You can file an extension for the paperwork. But, if you get an extension, you can't put off paying the taxes you owe. You must pay what you estimate you owe. If you just don't have the cash to pay your tax bill, there are plenty of options, ranging from using your credit card (only for low tax bills!), to setting up a payment plan.

9. SOMETIMES YOU JUST NEED AN ACCOUNTANT: We love do-it-yourself projects here at LearnVest. And when it comes to taxes, some people absolutely can do their taxes themselves. But some people need the help of a professional to puzzle through the tax code.

Some situations in which you should consider hiring an accountant include:

- Taking complex deductions
- Making non-cash contributions to charity
- Being self-employed or owning your own business
- Having a big life change like buying a house or having a baby
- Trading in investments frequently

REMEMBER:

Money deposited into a traditional IRA will come off of your reportable income!*

**Under age 50, up to \$5000. Over age 50, up to \$6000.*

10. DO NOT GET A RAPID REFUND: If you work with a tax preparer, you might be offered a rapid or instant refund. Do not take it. While it may seem like you are just getting your tax refund faster, this "refund anticipation loan," as it's called, is actually a short-term loan—one that likely has a predatory interest rate that will take a big chunk out of your refund; think \$50 or more!

Source: LearnVest.com



TASCOE CONVENTION GATLINBURG, TN



FISCAL CLIFF DEAL IS NO RECIPE FOR A ROBUST ECONOMY.

Source: HuffingtonPost.com

Housing is rebounding. Families are shrinking debts. Europe has avoided a financial crackup. And the fiscal cliff deal has removed the most urgent threat to the U.S. economy.

SO WHY DON'T ECONOMISTS FORESEE STRONGER GROWTH AND HIRING IN 2013?

Part of the answer is what Congress' agreement did (raise Social Security taxes for most of us). And part is what it didn't do (prevent the likelihood of more growth-killing political standoffs).

By delaying painful decisions on spending cuts, the deal assures more confrontation and uncertainty, especially because Congress must reach agreement later this winter to raise the government's debt limit. Many businesses are likely to remain wary of expanding or hiring in the meantime.

One hopeful consensus: If all the budgetary uncertainty can be resolved within the next few months, economists expect growth to pick up in the second half of 2013.

"We are in a better place than we were a couple of days ago," Chad Moutray, chief economist for the National Association of Manufacturers, said a day after Congress sent President Barack Obama legislation to avoid sharp income tax increases and government spending cuts. But "we really haven't dealt with the debt ceiling or tax reform or entitlement spending."

Five full years after the Great Recession began, the U.S. economy is still struggling to accelerate. Many economists think it will grow a mea-

ger 2 percent or less this year, down from 2.2 percent in 2012. The unemployment rate remains a high 7.7 percent. Few expect it to drop much this year.

Yet in some ways, the economy has been building strength. Corporations have cut costs and have amassed a near-record \$1.7 trillion in cash. Home sales and prices have been rising consistently, along with construction. Hiring gains have been modest but steady.

Bernard Baumohl, chief global economist for the Economic Outlook Group, thinks the lack of finality in the budget fight is slowing an otherwise fundamentally sound economy.

"What a shame," Baumohl said in a research note Wednesday. "Companies are eager to ramp up capital investments and boost hiring. Households are prepared to unleash five years of pent-up demand."

The economy might be growing at a 3 percent annual rate if not for the threat of sudden and severe spending cuts and tax increases, along with the haziness surrounding the budget standoff, says Ethan Harris, co-director of global economics at Bank of America Merrill Lynch.

Still, Congress' deal delivered a walloping tax hike for most workers: the end of a two-year Social Security tax cut. The tax is rising back up to 6.2 percent from 4.2 percent. The increase will cost someone making \$50,000 about \$1,000 a year and a household with two high-paid workers up to \$4,500.

Mark Zandi, chief economist at Moody's Analytics, calculates that the higher Social Security tax will slow growth by 0.6 percentage point in 2013. The other tax increases – including higher taxes on household incomes above \$450,000 a year – will slice just 0.15 percentage point from growth, Zandi says.

Continued on Page 6

Happy Birthday to Our Clients!

01-Jan	Robert Hopkins, Jr.	19-Jan	Carrie Zier	05-Feb	Shirley Bergeron	19-Feb	Anthony Moore	15-Mar	Marisa Havermann
01-Jan	Sonya Bookard	20-Jan	Robert Feather	06-Feb	Lennis Cox	21-Feb	Gene Murphy	13-Mar	George Harris
02-Jan	Lawrence Walbourne	20-Jan	Sherile Fletcher	06-Feb	Luella Goff	22-Feb	Keith Ervin	16-Mar	Michelle Randall
02-Jan	Glynn Ward	20-Jan	Shelby Cole	07-Feb	Gladys Timmons	24-Feb	Wanda Faye Elkins	16-Mar	Patricia Reese
06-Jan	LaVerne Crawford	21-Jan	Patty Patterson	08-Feb	Ann Gardner	01-Mar	Nancy Cheskey	17-Mar	Herman McGrew, Jr.
06-Jan	Donna Dewitt	22-Jan	Janet Rogers	08-Feb	John Brimmer	02-Mar	William Miles II	18-Mar	Jamie Rogers
06-Jan	Terri Pruett	24-Jan	Henry Byra	08-Feb	Victor L. Gibson	02-Mar	Charles Deitrick	19-Mar	Donald Simmons
07-Jan	Delaney Scott	23-Jan	Brianna Scott	08-Feb	Debbie Adkins	02-Mar	James Enochs	20-Mar	Dan McPoyle
08-Jan	Carol Rogers	25-Jan	Wayne Eppinger	09-Feb	Tony Bailey	31-Mar	J. Bartley George	20-Mar	Bernard Fratt
10-Jan	Raul Aguilar, Jr.	26-Jan	Krista C. Haynes	09-Feb	Daniel McClintock	03-Mar	Gwendolyn Allen	20-Mar	Martha Jackson
11-Jan	Sonya Dunklin	27-Jan	Richard Guevara	09-Feb	LaRuth Anderson	03-Mar	Harold Jones	25-Mar	Edward Fontaine, Sr.
06-Jan	Nicholas Frost	27-Jan	Thomas Gardner	02-Feb	Diane L. Smith	03-Mar	Eva Williams	25-Mar	Kevin Hairston
13-Jan	Cathryn Olson	28-Jan	Cathy Cook	12-Feb	Danny Franks	04-Mar	John Coley, Sr	26-Mar	Barbara Jolley
16-Jan	Scott Caraway	29-Jan	John Marshall Bunch	13-Feb	David Grubbs	05-Mar	Rebecca Grubbs	27-Mar	Timothy Smith
16-Jan	Mary Jane Welch	29-Jan	Jameson Frost	14-Feb	Toni Turner	06-Mar	James Harrell	27-Mar	Perry Pettiford
18-Jan	William Lindler	31-Jan	Maxine Campbell	14-Feb	Mollie White	06-Mar	Corey Alston	28-Mar	Deborah Delorme
18-Jan	Veronique Bergeron	01-Feb	Edwin Boyd	14-Feb	Edward Pearson	09-Mar	Ann Marie Demarte	28-Mar	Dawson Baker
18-Jan	Nicholas Bosiak	02-Feb	Anthony Zammarelli	15-Feb	Keith Kirchner	03-Mar	Bernadette Hartley	29-Mar	Emily Outing
19-Jan	Michael Dugas	02-Feb	William Wallace, Jr.	15-Feb	Wendy Odom	06-Mar	Donald Smalley	30-Mar	Michele D. Cooper
19-Jan	Gregory Toppi	03-Feb	Chris Aamold	16-Feb	Eddie Moore	07-Mar	Robin Fujimoto	31-Mar	James Ricca
		04-Feb	Erica Wooten	17-Feb	Chrisandra Carter	08-Mar	Rachel Smalley		
		05-Feb	Jennifer Brunson	18-Feb	Janice Gregory	09-Mar	William McCallum		

Our military clients are not listed because we would need a whole newsletter just for them, but we would like to extend a very Happy Birthday to them as well. Thank you for your service and for your business!

Congress' deal also postpones decisions on spending cuts for military and domestic programs, including Medicare and Social Security. In doing so, it sets up a much bigger showdown over raising the government's borrowing limit.

Republicans will likely demand deep spending cuts as the price of raising the debt limit. A similar standoff in 2011 brought the government to the brink of default and led Standard & Poor's to yank its top AAA rating on long-term U.S. debt.

HERE'S HOW KEY PARTS OF THE ECONOMY ARE SHAPING UP FOR 2013:

JOBS

With further fights looming over taxes and spending, many companies aren't likely to step up hiring. Congress and the White House will likely start battling over raising the \$16.4 trillion debt limit in February.

Many economists expect employers to add an average of 150,000 to 175,000 jobs a month in 2013, about the same pace as in 2011 and 2012. That level is too weak to quickly reduce unemployment.

The roughly 2 million jobs Zandi estimates employers will add this year would be slightly more than the 1.8 million likely added in 2012. Zandi thinks employers would add an additional 600,000 jobs this year if not for the measures agreed to in the fiscal cliff deal.

Federal Reserve policymakers have forecast that the unemployment rate will fall to 7.4 percent, at best, by year's end. Economists regard a "normal" rate as 6 percent or less.

CONSUMER SPENDING

Consumer confidence fell in December as Americans began to fear the higher taxes threatened by the fiscal cliff. Confidence had reached a five-year high in November, fueled by slowly declining unemployment and a steady housing rebound. Consumer spending is the driving force of the economy.

But the deal to avoid the cliff won't necessarily ignite a burst of spending. Taxes will still rise for nearly 80 percent of working Americans because of the higher Social Security tax rate.

Since the recession officially ended in June 2009, pay has barely kept up with inflation. The Social Security tax increase will cut paychecks further. And with the job market likely to remain tight, few companies have much incentive to hand out raises.

Thanks to record-low interest rates, consumers have whittled their debts to about 113 percent of their after-tax income. That's the lowest share since mid-2003, according to Haver Analytics.

Yet that hardly means people are ready to reverse course and ramp up credit-card purchases. Most new spending would have to come from higher incomes, says Ellen Zentner, senior economist at Nomura Securities.

"We don't see the mindset of, 'Let's run up the credit card again,'" she says.

The holiday shopping season in 2012 produced the worst year-over-year performance since 2008. Shoppertrak, a consulting firm, estimates that sales grew just 2.5 percent, down from an earlier forecast of 3.3%.

HOUSING

Economists are nearly unanimous about one thing: The housing market will keep improving.

That's partly because of a fact that's caught many by surprise: Five years after the housing bust left a glut of homes in many areas, the nation doesn't have enough houses. Only 149,000 new homes were for sale at

the end of November, the government has reported. That's just above the 143,000 in August, the lowest total on records dating to 1963. And the supply of previously occupied homes for sale is at an 11-year low.

"We need to start building again," says Patrick Newport, an economist at IHS Global Insight.

Sales of new homes in November reached their highest annual pace in 2 1/2 years. They were 15 percent higher than a year earlier. And October marked a fifth straight month of year-over-year price increases in the 20 major cities covered by the Standard & Poor's/Case-Shiller national home price index.

Potential homebuyers "are more likely to buy, and banks are more likely to lend" when prices are rising, says James O'Sullivan, chief U.S. economist at High Frequency Economics. "It feeds on itself."

Higher prices are also encouraging builders to begin work on more homes. They were on track last year to start construction of the most homes in four years.

Ultra-low mortgage rates have helped spur demand. The average rate on the U.S. 30-year fixed mortgage is 3.35 percent, barely above the 3.31 percent reached in November, the lowest on records dating to 1971.

Housing tends to have an outside impact on the economy. A housing recovery boosts construction jobs and encourages more spending on furniture and appliances. And higher home prices make people feel wealthier, which can also lead to more spending.

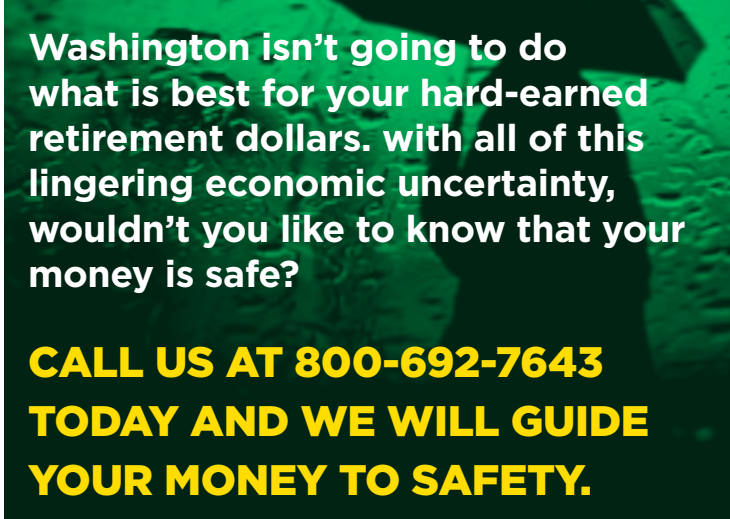
"When you have a housing recovery, it's nearly impossible for the U.S. economy to slip into recession," Zentner says.

MANUFACTURING

Factories appear to be recovering slowly from a slump last fall. The Institute for Supply Management's index of manufacturing activity rose last month from November. And a measure of employment suggested that manufacturers stepped up hiring in December. Factories had cut jobs in three of the four months through November, according to government data.

Another encouraging sign: Americans are expected to buy more cars this year. That would help boost manufacturing output. Auto sales will likely rise nearly 7 percent in 2013 over last year to 15.3 million, according to the Polk research firm. Sales likely reached 14.5 million last year, the best since 2007. In 2009, sales were just 10.4 million, the fewest in more than 30 years.

And if Congress can raise the federal borrowing limit without a fight that damages confidence, companies might boost spending on computers, industrial machinery and other equipment in the second half of 2013, economists say. That would help keep factories busy.



**Washington isn't going to do
what is best for your hard-earned
retirement dollars. with all of this
lingering economic uncertainty,
wouldn't you like to know that your
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TODAY AND WE WILL GUIDE
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SMARTER RETIREMENT STRATEGIES

Go to DillardFinancialSolutionsInc.com
and click on the link for Smarter Retirement Strategies.



We recently developed a new website that offers videos, information and insight into Smarter Retirement Strategies. Guests are greeted with a wide range of information covering critical questions such as: *What can an annuity do for me?, How does an annuity really work?, and What can I expect during our first visit?*

We have finally taken these critical pieces of information and arranged them in a clear, concise manner that is easy to understand. This site is just one more way Dillard Financial Solutions, Inc. is making it easier for our clients to create and maintain Smarter Retirement Strategies.

2012 SOUTH CAROLINA LAW ENFORCEMENT TRAINING CONFERENCE

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Christmas Social





WHAT BENEFITS AND SPECIAL PAYMENTS AFFECT THE "EARNINGS" TEST FOR RETIRING FEDERAL EMPLOYEES?

Federal employees covered by either the Civil Service Retirement System (CSRS) Offset or by the Federal Employees Retirement System (FERS) need not be concerned about their lump sum payment for unused annual leave with respect to the "earnings" test.

Salary and self-employment income earned after an employee retires from federal service can affect both the FERS annuity supplement (for FERS employees who retire before 62) and Social Security retirement benefits for those employees who retire between the ages of 62 and full retirement age (FRA).

This column discusses "special payments" an employee receives shortly after their retirement date and their effect on the FERS annuity supplement or Social Security benefits. For CSRS Offset employees, the Social Security benefits that could be affected by the "earnings" test are those benefits earned outside of federal service in private industry or spousal benefits and not the Social Security benefits earned during the years of CSRS Offset service.

WHAT IS THE SOCIAL SECURITY "EARNINGS" TEST?

In general, there are limits as to how much a Social Security beneficiary younger than full retirement age (FRA) or a FERS annuitant younger than age 62 can earn while still working. FRA is age 65 for individuals born before 1938, increasing to age 67 for individuals born in 1960 and later. For example, FRA is age 66 for individuals born in 1943 through 1954.

FERS employees who retire under the normal retirement rules or under an early retirement authority (VERA or VSIP) are eligible to receive the FERS retirement annuity supplement starting with the later of the employee's retirement date or the month the retired employee becomes minimum retirement age (MRA).

The "earnings" test during 2013 for Social Security recipients between the ages of 62 and FRA — that is, individuals born during 1948, 1949, 1950 or 1951 — is as follows:

- If a recipient is younger than FRA, then \$1 in benefits will be deducted for each \$2 the recipient earns above \$15,120 during 2013. In other words, the earnings limit during 2013 for these individuals is \$15,120.
- If a recipient reaches FRA (age 66) during 2013 - that is, someone born sometime during 1947 — then \$1 in benefits will be reduced for every \$3 the recipient earns above \$40,080 until the month the recipient becomes age 66.
- Starting with the month a recipient reaches FRA, a recipient will receive full Social Security benefits no matter how much they earn. In other words, the "earnings" test no longer applies once an individual reaches FRA.

Gross wages and net earnings from self employment count towards the earnings test limit. Gross wages are the amount an individual earns before any payroll deductions for income taxes, Social Security (FICA) tax, Medicare Part A (hospital insurance) tax, life insurance premiums, or other employer deductions. If an individual has wages and is self-employed, a net loss from self-employment will reduce the income counted towards the individual's earnings test limit.

The "earnings" test during 2013 for FERS retirement annuity supplement recipients between the ages of MRA and age 62 is identical to the "earnings test" for Social Security recipients between the ages of 62 and FRA with one difference. Instead of the Social Security Administration doing the reduction for Social Security recipients who violate the "earnings" test, it is the Office of Personnel Management (OPM) who reduces a FERS annuitant's FERS retirement annuity supplement if the annuitant violates the "earnings" test.

Continued on Page 11

WHAT ARE "SPECIAL PAYMENTS"?

After an employee retires from federal service, the retired employee usually receives payments for work they did before they started receiving Social Security benefits or the FERS annuity supplements. "Special payments" include bonuses, the employee's last paycheck, and the employee's lump sum payment for unused annual leave. These payments could be part of a recipient's "earnings test" limit. However, since these payments were "earned" before an employee retired, they will not be included as part of the "earnings" test. Consider the following example:

Thomas, age 63, retired from federal service on Dec. 29, 2012, with 25 years of FERS service. Thomas applied for his first Social Security check in November 2012 with his first Social Security retirement check scheduled to be issued in January 2013. Thomas will receive his last paycheck for the pay period ending Dec. 29, 2012, and his lump sum payment for 448 hours of unused annual leave sometime during January 2013. Thomas' last paycheck and lump sum payment for unused annual leave will appear on Thomas' 2013 W2 that he will receive in January 2014. Since Thomas' last paycheck and annual leave hours were earned and accumulated respectively before he retired on Dec. 29, 2012, they will not be used in Thomas' Social Security "earnings" test for 2013.

WHAT "SPECIAL PAYMENT" RECIPIENTS SHOULD DO

Those employees younger than FRA who recently retired from federal service should contact the Social Security Administration if they intend to receive Social Security benefits immediately after retirement. FERS employees who retire before age 62 under

**"SPECIAL PAYMENTS" INCLUDE BONUSES,
THE EMPLOYEE'S LAST PAYCHECK, AND
THE EMPLOYEE'S LUMP SUM PAYMENT FOR
UNUSED ANNUAL LEAVE.**

a regular retirement should contact OPM about these "special payments" in order that "special payments" be not counted as part of total earnings during 2013.

The Social Security Administration has a special form — SSA-131, downloadable from <http://www.ssa.gov> — in which an employer reports these "special payments". A recently retired employee who intends to start receiving their Social Security retirement benefit should contact their Personnel Offices to make sure this form is filed with the Social Security Administration. FERS retirement annuity supplements are encouraged to make sure that their payroll offices have contacted OPM to ensure that these "special payments" are reported to OPM and are not included as part of total earnings for the purpose of the "earnings" test for the FERS retirement annuity supplement.

Source: MyFederalRetirement.com

If you have questions or concerns about your federal retirement benefits, please contact us at 1-800-692-7643 and one of our federal representatives will assist you.

A+
A-Plus

25th Annual
Eastern Region
Postal Convention

Cary, North Carolina





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