



Marine Corps Community Services

Portability Fact Sheet

Retirement Portability overview:

Employees who transfer to a retirement covered NAF (Nonappropriated Fund) or APF (Appropriated Fund) position from a retirement covered APF or NAF position without a break in service greater than one year may be eligible for a one-time retirement portability election to retain their current retirement coverage under P.L. 107-107. This election is a lifetime irrevocable election and allows employees to build on their current retirement service to provide for the greatest possible benefit. If an employee elects to retain their retirement coverage from their prior agency, their current agency will deduct contributions from their bi-weekly pay and forward employee and employer contributions to the prior agency.

Retirement plan employee contributions:

Marine Corps NAF retirement = 1% of bi-weekly gross earnings

FERS-FRAE (as of 01/01/2014) = 4.4% of bi-weekly gross earnings

Comparison Estimate:

The following comparison estimate (for illustration purpose only - Marine Corps NAF v. FERS-FRAE) assumes:

- Employee has 5 years of contributory service as of transfer date to APF on 10/31/2022
- Employee HI-3 of \$75,000.00
- Retire as of Age 62



Retirement Portability Comparison Estimate(s)
Section 1131, P.L. 107-107



Name: **ELAINE EMPLOYEE**
Retirement Date: **11/01/2037**
Age 62 yrs 0 mos

Option 1: Elect to REMAIN IN NAF Retirement System			
	Monthly NAF Annuity (Employee Cost = 1% of earnings)	Monthly FERS Annuity	TOTAL Monthly Annuity
	NAF HI-3 = \$75,000.00 10 yrs 0 mo(s) Based on regular service and no breaks	N/E – Not Enrolled	
Lifetime Benefit	\$687.50 for Lifetime	N/E – Not Enrolled	\$ 687.50 for Lifetime

Option 2: Elect to ENROLL IN FERS/USMC NAF RETIREMENT DEFERRED ANNUITY			
	Monthly NAF Deferred Annuity	Monthly FERS Annuity (Employee Cost = 4.4% of earnings)	TOTAL Monthly Annuity
	NAF HI-3 = \$75,000.00 5 yrs 0 mo(s)	FERS HI-3 = \$75,000.00 5 yrs 0 mo(s) Based on regular full-time service and no breaks	
Lifetime Benefit	\$343.75 for Lifetime	\$313.00 for Lifetime	\$ 656.75 for Lifetime

The above represents age 62 Lifetime Annuity retirement portability comparison estimates without survivor benefit. If additional calculations (such as survivor benefit, early reduced or early unreduced, if eligible) are required to assist you in making an informed decision concerning your retirement portability election, you may contact your local personnel office.

The above estimate is based on current information and is not a promise of a benefit.

Q & A:

1. **Q: I am currently a Marine Corps NAF employee and accepted a Marine Corps APF job offer, what will happen to my Marine Corps NAF retirement when I become an APF employee?**

A: If you are enrolled in Marine Corps NAF retirement as of your date of separation from Marine Corps NAF employment and are picked up by Marine Corps APF in a retirement covered position with a break in service of less than one year, you will be offered a one-time opportunity to retain your Marine Corps NAF retirement provided you have not made a prior election.

**If you have made a prior move from a APF position to NAF position and elected to retain a FERS retirement plan, this is a lifetime irrevocable election, and you are locked into that FERS retirement coverage.*

**If you have made a prior move from a NAF position to a APF position and elected to retain a NAF retirement plan, this is a lifetime irrevocable election, and you are locked into that NAF retirement coverage.*

2. **Q: Am I still eligible to retain my Marine Corps NAF retirement upon my transfer to a retirement covered a U.S. Government Federal (APF) position even if I am not vested in Marine Corps NAF retirement?**

A: Yes. Under P.L. 107-107, vesting in the losing retirement plan is not a requirement.

3. **Q: If I am not vested in Marine Corps NAF retirement upon my transfer to a retirement covered Marine Corps APF position and elect not to retain my Marine Corps NAF retirement, what happens to that service and those contributions?**

A: Non-vested employees who elect not to retain their Marine Corps NAF retirement upon transferring to an APF position are required to take a refund of their Marine Corps NAF retirement contributions. Employees with less than 3 years of contributory service will receive a refund of only their employee contributions. Employees with more than 3 years of contributory service* will receive a refund of employee contributions plus interest. Employer contributions are not refunded. Employer contributions remain with the plan. Marine Corps NAF will not count towards the Employee's future FERS retirement unless special criteria are met.

**Contributory service is time employee is actively contributing to the Marine Corps NAF retirement plan.*

4. Q: If I am vested in the Marine Corps NAF retirement upon my transfer to a retirement covered a U.S. Government Federal (APF) position and elect not to retain my Marine Corps NAF retirement, what happens to that service and those contributions?

A: If an employee is not yet Age 52 and is vested* in the Marine Corps NAF retirement plan as of their date of separation from Marine Corps NAF, they may defer their annuity until they reach an eligible retirement age (at least Age 52). If an employee is at least Age 52, they will be required to take an immediate annuity.

**Vested employees also have the option of taking a refund of contributions, but an addendum acknowledging their waiver of a lifetime annuity must be signed.*

5. Q: If I elect to retain Marine Corps NAF retirement, will I be eligible to contribute to TSP?

A: No. If you elect to retain Marine Corps NAF retirement, you will only be eligible to contribute to the Marine Corps NAF 401(k) plan. Your new APF employer will make the same employer matching contributions as received while you were with Marine Corps NAF.

6. Q: If I elect to not to retain Marine Corps NAF retirement and enroll in FERS, can I roll my 401(k) over into TSP?

A: Yes.

7. Q: If I elect to retain Marine Corps NAF retirement, how are contributions credited to my account and service tracked?

A: Your APF employer will deduct your Marine Corps NAF and 401(k) (if applicable) contributions from your bi-weekly pay and forward those contributions to Marine Corps NAF. Marine Corps NAF receives bi-weekly payroll reports detailing your contributions and earnings. Marine Corps NAF enters these contributions and earnings in PeopleSoft for tracking to ensure information is up to date for retirement purposes.

8. Q: Why are their different FERS plans?

A: The FERS retirement plans are based on date of hire in APF system.

FERS – Hired between 1987 - 12/31/2012 – contribute 0.8%

FERS RAE - Hired between 01/01/2013 – 12/31/2013 – contribute 3.1%

FERS FRAE - Hired on or after 01/01/2014 - contribute 4.4%

**The increase in employee contributions does not increase the retirement benefit.*

9. Q: Which retirement plan offers the higher annuity?

A: Marine Corps NAF utilizes a FERS like formula for employees enrolled in Marine Corps NAF retirement on or after 01/01/2001. Retirements are calculated based upon years of contributory service, High-3 average earnings and the age at which you retire.

**Employees enrolled in the Marine Corps NAF retirement plan prior to 01/01/2001 would receive the better of the "Old" formula and the "FERS like" formula.*

10. Q: What happens if I elect to retain Marine Corps NAF retirement and I am in the middle of a Military Service (MILBUY) Purchase at the time of transfer from Marine Corps NAF to APF?

A: You will be required to pay the balance of your MILBUY in full prior to your separation from Marine Corps NAF. If you are unable to pay your balance in full prior to separation you have the option to receive partial credit or you may receive a refund of all payments and cancel the MILBUY. If you elect to receive partial MILBUY credit or cancel your MILBUY, there will be no further opportunity to purchase this Military Service in the future.

11. Q: What happens if I elect not to retain Marine Corps NAF retirement and I am in the middle of a Military Service (MILBUY) Purchase at the time of transfer from Marine Corps NAF to APF?

A: If you are not vested in the Marine Corps NAF retirement plan, you will receive a refund of all MILBUY payments to include Rate of Return and purchase under FERS retirement. If you are vested, you may elect to pay balance in full, receive partial credit or receive a refund of contributions. Note: Any Military Service credit may only be utilized under one government retirement plan.

12. Q: If I elect to retain Marine Corps NAF retirement, will I have access to view my account online and run retirement estimates:

A: No, Non-Marine Corps NAF employees are unable to view their retirement accounts online, but you may contact MCNAFPortability@usmc-mccs.org for information on your account and/or retirement estimates. Retirement estimates are only provided for dates within 5 years. You may access your 401(k) information by visiting www.401k.com.

13. Q: What will happen if I have an active 401(k) loan at the time of my transfer to an APF position?

A: You will be required to submit loan payments directly to Fidelity. 401(k) loan payments are not deducted from APF bi-weekly pay. Employees can contact Fidelity @ 1-800-xxx-xxxx or www.401k.com to make payment arrangements.

14. Q: What happens with Medical and dental benefits?

A: Employees enrolled shall be given a 31-day extension to enroll in their APF Benefits. These benefits are not portable.

15. Q: What happens to annual, home, and sick leave when transferring to a DoD APF agency?

A: If the employee is transferring to a DoD APF agency with a break-in-service three days or less, all annual, home, and sick leave transfer. If the break-in-service is greater than three days or the move is to a non-DoD APF position, then annual leave is paid out to the employee and sick leave remains on the employee's MCCS record.

16. Q: What happens to sick and annual leave when transferring to a DoD NAF agency?

A: If the employee is transferring to a DoD NAF agency both sick and annual leave transfer regardless of a break-in-service. If there was a break-in-service and annual leave was paid out to the employee previously then only sick leave would transfer.

17. Q: What happens to sick and annual leave when transferring to a non-DoD agency?

A: If the employee is transferring to a non-DoD agency, then annual leave is paid out to the employee and sick leave remains on the employee's MCCA record.

18. Q: What is creditable towards company seniority dates (CSD)?

A: For CSD, DoD APF service will count only if there is no more than a three-day break-in-service. All DoD NAF experience (Part-time/Full-time/Flex/Temp) will count regardless of a break-in-service.

19. Q: What is creditable towards benefits service dates (BSD)?

A: For BSD, DoD APF service will count only if there is no more than a three-day break-in-service. Regular (PT/FT) DoD NAF experience will count regardless of a break-in-service. For DoD NAF when calculating BSD, temporary or flexible categories can be credited if the employee's position as a flexible, intermittent, or temporary status was converted to a Regular (PT/FT) in the same position, with no break-in-service. This calculation is used towards your leave accrual.

0-3 years of service	Accrue 5% of leave
3-15 years of service	Accrue 7.5% of leave
15+ years of service	Accrue 10% of leave