

## Retirement Quiz: The Basics

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It's quiz time! I've designed this one to cover some of the basics, with relatively new federal employees in mind. But midcareer and pre-retirement age federal employees may also find they have a few things to learn.

There is no minimum age to make contributions to an Individual Retirement Arrangement.

True

False

Which of these is a type of retirement savings plan:

IRA

401k

TSP

403b

SEP

MyRA

All of the above

The word "vested" relative to a particular retirement benefit means:

It belongs to you; you have the full and legal right to this benefit.

You are not yet entitled to receive the full benefit.

It is the sleeveless layer of your retirement plan.

The money you contribute to the TSP, along with the matching government contributions, is immediately vested.

True, however, there is a three year vesting requirement for the 1 percent agency automatic contribution.

False, it takes three years for your TSP account to be vested.

What is the minimum number of years of service required to qualify for a federal retirement benefit?

Three

Five

An annuity is a term used to describe a fixed income stream paid over a specific period of time, usually for the life of an individual.

True

False

A pension is a fixed sum paid following retirement, generally for the life of an individual.

True

False

It is accurate to refer to the federal retirement benefit as an annuity or a pension benefit.

True

False

If you resign from federal service before meeting the age requirement for an immediate retirement, but you have a minimum of five years of federal service, you may be entitled to a deferred annuity.

True

False

Social Security benefits provide a lower replacement of income for those earning lower wages and a higher replacement of income for those earning higher wages.

True

False

**[Ready for the answers? Click here.](#)**

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<http://www.govexec.com/pay-benefits/retirement-planning/2014/03/retirement-quiz-basics/80506/>