

Is Paperless Retirement Processing the Answer?

By Tammy Flanagan

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Advances in technology are improving our lives every day. But when it comes to federal retirement benefits processing, there's a long way to go. New retirement claims are still being processed manually with paper retirement application forms and printed documentation of federal service records. The result is long delays and big backlogs of unprocessed claims.

Now there's a glimmer of hope, as the Office of Personnel Management last month introduced a [plan for modernizing information technology](#) at the agency that includes advances in retirement processing.

OPM's plan notes that a variety of changes already are taking place under mandates in laws or regulations. These include:

Conversion of all retirement payments to electronic fund transfers.

Updating annuity calculators to factor increased retirement contributions for certain federal employees, to include phased credit for unused sick leave for those under the Federal Employees Retirement System, and to account for voluntary Roth contributions.

Numerous updates to existing calculators or support systems to automate complex business rules.

OPM plans to replace the archaic retirement processing system with a paperless approach that will authorize accurate retirement benefits on the day they are due, answer customers' questions in a timely manner and promote self-service account maintenance. But there's one catch: Every one of these promises is contingent upon additional funding that has not yet been approved.

Here's the list of improvements OPM seeks to implement:

Electronic Individual Retirement Record: This system will eliminate the need for payroll offices to provide hundreds of thousands of paper records each year. OPM needs to merge this data with other pre-retirement data received from agencies and payroll providers for a more comprehensive record of employees' service. During fiscal 2014, the plan is to consolidate this payroll information to make it more broadly available to the employees at OPM who process retirements as well as the agency retirement benefits specialists who work with employees who are planning to retire.

Re-Hosting of Legacy Mainframe-Based Systems: Mainframe computers are antiquated and expensive to maintain. OPM plans to move to a distributed environment, in which networked computers coordinate their actions.

Retirement Data Repository: OPM plans to move from a paper-based environment to an electronic system, integrate with the major federal payroll centers to provide valuable data, and mesh the data stored in the RDR with the retirement calculator so that benefits can be computed electronically.

Case Management: A state-of-the-art case management system will enable tracking and reporting on documents and

cases as they are processed, significantly reducing manual data entry.

Retirement Data Viewer: Based on a pilot project conducted in fiscal 2013, OPM believes continued investment in the RDV will result in a significant drop in incompleteness of retirement cases and in inaccurate dates within case files from agencies.

Online Retirement Application: Employees will be able to complete, electronically sign and submit their retirement applications using this web-based tool. Employees who are planning to retire will have access to more accurate counseling and a more refined annuity estimate based on more and better data.

If funding is approved, OPM says it can complete the system by the end of 2015. Time will tell if modern technology will prevail and be implemented so that federal employees will be able to move seamlessly from employment into retirement without the errors and delays that have caused many recent retirees so much frustration.

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<http://www.govexec.com/pay-benefits/retirement-planning/2014/03/paperless-retirement-processing-answer/80947/>