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New Survey Reveals USAID Retirees Facing Months-Long Delays, Financial Hardship, and Administrative Breakdowns in Federal Retirement Process

Washington, D.C. — A new survey of recently separated federal employees reveals that many retirees from the U.S. Agency for International Development (USAID) are waiting **far longer than expected to receive their retirement benefits**, often enduring months without income, delayed leave payouts, and significant financial and emotional hardship.

The survey, conducted by AFGE Local 1534, analyzed responses from **over 300 federal employees**, including **238 USAID civil servants** who recently separated from federal service. The results show extensive delays, administrative errors, and communication failures across multiple agencies responsible for processing retirement benefits, including **USAID's Office of Human Capital and Talent Management (HCTM), the National Finance Center (NFC), and the Office of Personnel Management (OPM)**.

The results paint a troubling picture: retirees who followed agency guidance and submitted their retirement paperwork months in advance are still experiencing prolonged waits, administrative confusion, and a lack of accountability across agencies responsible for processing their retirement.

Many Retirees Waiting Months — Some Nearly a Year — for Retirement Benefits

Under normal federal guidance, the retirement process from separation to finalization is expected to take **approximately 3–5 months**. However, survey results show that many USAID retirees are being treated differently waiting **far longer**, with only a small fraction receiving final retirement payments to date.

Among retirees who responded:

- Only **4 out of 79 retirees (5%)** reported receiving their **final FERS annuity payments**.
- For those few cases, the **average time to finalize retirement exceeded 9 months**.
- Retirees who reached OPM reported waiting an average of **255 days (about 8.5 months)** just to receive their Civil Service Annuity (CSA) number—the basic identifier needed to track retirement benefits.

- Interim annuity payments began **an average of 244 days after retirement**, leaving many retirees without income for months.

Survey respondents commented:

“Due to the RIF, I was forced to apply for retirement in May 2025, and my application is still stuck at NFC, 10 months later.”

“I was forced to retire on July 1, 2025... seven months later I still haven’t received a penny of my FERS pension annuity. This is ridiculous.”

“Unnecessarily chaotic, with almost complete collapse in any real-time communication needed to promptly resolve serious issues... Payroll has been especially opaque and impossible to reach.”

“I am on month nine following submission of my retirement request with no resolution.”

These timelines are **significantly longer than the processing timeframe still advertised by OPM**, suggesting a widening gap between expected and real-world retirement processing times.

Delays Begin Inside USAID

The survey found that many delays begin **before retirement cases ever leave USAID**.

Key insights from the survey include:

- It took **about 89 days** for USAID’s HCTM to create a retiree’s profile in OPM’s Online Retirement Application (ORA) system after receiving a retirement application.
- The full internal USAID HCTM processing time before ORA certification averaged **169 days (over 5.5 months)**—nearly the entire timeframe that OPM publicly estimates for completing the entire retirement process.

USAID retirees expressed frustration early in their retirement process:

“HR uploaded documents into my ORA application which kicked my application out of the system... I was later told I had never submitted my retirement application.”

“My ORA sat unadjudicated for over 100 days before anyone was assigned to review the case.”

“Processing of my ORA appeared to stall completely after submission, with no explanation and no ability to obtain status information.”

“ORA provided grossly inaccurate retirement estimates because it could not maintain correct service calculations. HCTM staff were unwilling to address the inaccuracies even after I documented them repeatedly and provided supporting records.”

“The original ORA application submitted by HCTM was returned due to errors. My questions to the specialist assigned by USAID went unanswered for months until a new specialist was assigned.”

“The Service History section of my ORA application indicated that I had worked for a different agency. It took several requests before this was corrected.”

These delays occurred despite the fact that retirees **submitted their applications well in advance of agency recommendations**, with an average submission time of **82 days before separation**. Despite that preparation by retirees, the **internal USAID processing time alone now rivals the entire retirement timeline OPM advertises publicly**.

The survey also found that **65 of 85 retirement applications had to be recreated in the ORA system** after submission, adding further delays due to system changes, staffing shortages, and administrative errors.

Payroll Bottleneck at the National Finance Center

Even after USAID completes its processing, retirees face another major bottleneck: the **National Finance Center (NFC)**.

Survey data shows:

- **82% of retirement applications sent to NFC remained there awaiting transmission to OPM.**
- The typical case had already been waiting **about three months** at NFC and continue to wait.
- Some applications had been waiting **more than 120 days**, while others remained pending for even longer.

USAID retirees commented:

“My application has been at NFC for over 117 days and still counting”.

“After my application was transmitted to NFC there was no way to determine what was happening or when it would move forward.”

“Unnecessarily chaotic, with almost complete collapse in any real-time communication needed to promptly resolve serious issues... NFC has been especially opaque and impossible to reach.”

“I can’t get anyone to answer the phones at the National Finance Center.”

“No one in HCTM will help with our applications stuck at NFC.”

“We were told we must wait 90 business days before anyone could check on our retirement applications at the NFC.”

“We don’t even have clear communication about whether another agency will assist with the backlog.”

Based on the current processing rates reported in the survey, clearing the existing backlog could take **as long as 2.5 years** if conditions remain unchanged.

Financial Harm Begins Immediately After Separation

The financial impacts of these delays are severe and begin soon after employees leave government service.

Key findings include:

- **Only 2% of USAID retirees received their annual leave payout within 30 days**, despite the typical federal benchmark of 1–2 pay periods.
- The **average time for USAID retirees to receive annual leave payouts was about 91 days**, leaving many retirees without access to money they had already earned.
- Nearly **one-third of retirees were still waiting more than three months** for key separation documents such as their final Earnings & Leave statement.

Many narrative responses described the severe financial strain caused by delayed retirement processing.

Survey respondents explained how the process had harmed them financially:

“My annual leave payout took more than a month longer than expected and when it finally arrived, it was incorrect. Credit hours were missing and the payment was calculated using the wrong pay rate.”

“I have been borrowing money on credit cards just to pay my mortgage and utilities.”

“I have had to withdraw money from my TSP with a 10% penalty just to survive.”

“I am struggling to pay my mortgage, utilities, and health insurance while waiting for someone to respond.”

“My off-boarding was never finalized until months later, and I didn’t receive my annual leave payout until October.”

“Many of us may not receive our first annuity payments for a year or longer from our retirement dates.”

Retirees frequently reported relying on savings, credit, or early withdrawals from retirement accounts including their Thrift Savings Plan, to cover living expenses while waiting for their benefits. This further exacerbates the financial harm to USAID retirees due to the significant lost earning power of their retirement accounts and significant interest on credit cards.

Careers Upended: Former USAID Employees Struggle to Find Comparable Work

The survey found that **83.5% are actively seeking new employment**, yet **nearly half (48.7%) remain unable to find work**. Among those who have secured jobs, **only 8.2% report their new position is equivalent to or better than their previous federal role**.

The results suggest that many experienced public servants are struggling to transition back into the workforce despite years—often decades—of government service.

Even respondents who successfully found new employment often reported taking positions with **lower pay, fewer benefits, or reduced responsibility**.

“Many of us had specialized knowledge and regional experience that does not easily translate to the private sector.”

Some respondents also reported barriers to returning to government service.

“Despite being highly educated and a high-performing employee, I have not even secured an interview with another federal agency.”

The data show that many separated employees were **mid-career professionals expecting to remain in the workforce**, not individuals planning retirement.

The survey also reveals significant financial consequences following the separations:

- **38.3% relied on unemployment benefits**

- The average unemployment benefit duration was **nearly four months**
- Some respondents reported **exhausting personal savings or retirement funds**

“I’ve exhausted most of my savings and had to tap into my retirement funds just to stay afloat.”

Others described taking temporary work while continuing to search for stable employment.

“I apply for multiple jobs every week and have taken shift work and temporary jobs to help make ends meet.”

Human Impact: The Emotional, Mental, Physical, and Financial Toll on Retirees

Beyond administrative delays, survey responses reveal the significant personal consequences experienced by retirees navigating the federal retirement process during the separation period. Respondents repeatedly described the situation as not only frustrating but deeply disruptive to their financial security, mental well-being, and overall stability during what should have been a predictable transition into retirement.

Many retirees reported experiencing prolonged periods without retirement income while waiting for their applications to move through the processing pipeline involving USAID HCTM, NFC, and the Office of Personnel Management.

In some cases, the delays and uncertainty created health-related concerns as well. Respondents described the cumulative stress of financial insecurity, administrative delays, and communication breakdowns as having a direct impact on their well-being.

Many respondents described:

- Prolonged anxiety due to unclear timelines and lack of information
- Difficulty planning finances and healthcare coverage
- Emotional strain during involuntary separations or workforce reductions

USAID retirees explained:

“The delays have created an untenable strain on my future ability to retire with dignity after almost 30 years of civil service.”

“My FEHB health coverage was mistakenly canceled six weeks after separation. HCTM corrected it once I noticed the error, but it should never have happened.”

“My health insurance was mistakenly canceled weeks after separation, which added to the stress and uncertainty.”

“The lack of transparency and constant delays created enormous stress for my family.”

“I lost not only my job but my career. Every element of my separation and retirement was delayed.”

“My separation has been financially, physically, emotionally, and professionally devastating.”

“We had to rely on savings while waiting for retirement income that should have started months earlier.”

“It has been financially devastating.”

“I feel hopeless about the situation and have no idea who to go to for help.”

Taken together, these responses illustrate that the delays in retirement processing were not merely administrative inconveniences. Instead, the experiences described by respondents reflect a broader pattern of personal hardship affecting retirees during a critical life transition.

These firsthand accounts highlight the human consequences of delays and coordination challenges within the retirement processing system. Ensuring that federal employees can transition into retirement with predictable access to earned benefits is essential to maintaining trust in the federal workforce system.

Communication Breakdowns Across Agencies

Survey respondents consistently described **poor communication, lack of transparency, and unclear accountability** throughout the retirement process.

Common experiences reported by retirees included difficulty:

- Being unable to confirm whether retirement packages had been sent to NFC or OPM
- Receiving inconsistent or conflicting information from different offices
- Having to repeatedly follow up for updates or corrections with limited or no response from agency representatives
- Being “passed between offices” without clear ownership of their case

USAID retirees expressed:

“The process has been so opaque... we are told it could be with payroll/NFC for 90 business days and that they will not check the status beforehand. There are no updates.”

“The official running the retirement sessions was generally rude and dismissive toward retirees, including veterans who were trying to resolve issues quickly.”

“The webinars were very basic and could not address many of the questions people had—especially those who were forced to retire unexpectedly.”

“I have made several attempts calling the HR help desk and sending emails, but I have been unable to reach anyone for updates.”

These communication failures compounded the uncertainty for retirees already facing long delays and financial strain.

A Systemic Problem — Not Individual Mistakes

Analysis of narrative responses indicates that the problems described by retirees reflect **systemic process breakdowns rather than isolated individual errors.**

The survey identified several structural issues contributing to delays, including:

- A predictably understaffed HCTM. Increased staffing by contractors did not occur until months after the first Reduction in Force on July 1, 2025. Even then, HCTM officials indicated the contractors required two months of training before they could process retirement applications.
- Implementation challenges with OPM’s Online Retirement Application system leading to frequent updates, outages, and requiring applicants to re-enter data and documents.
- Poor coordination between USAID, NFC, and OPM
- Lack of transparency regarding retirement application status

According to the survey analysis, the dominant narrative across responses was **not isolated mistakes but systemic breakdowns in coordination and accountability across the retirement system that directly caused delays and resulted in extreme harm to retirees.**

Call for Oversight and Reform

The findings highlight structural challenges in the federal retirement processing system and underscore the need for stronger coordination between agencies responsible for processing retirements.

Key areas identified for improvement include:

- End-to-end visibility of retirement application status for retirees and agencies
- Clear accountability across all stages of the retirement process
- Improved staffing and surge capacity during expected large workforce separations
- Ensure individualized retirement and separation counseling to reduce application and documentation errors
- Stronger internal controls to reduce administrative errors

Without reform, insights from the survey warn that federal employees facing large-scale workforce reductions or retirements in the future will encounter **the same systemic delays and hardships now affecting USAID retirees.**

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