

S.O.S. NEWSLETTER

SERVICE OFFICERS FOR SERVICE

SERVICE OFFICER NEWSLETTER

VOLUME 11-4

NOVEMBER 2011

EDITORS COMMENTS

We are at the end of the year and the good news is that after two years we are going to get a Cost of Living Adjustment (COLA). The amount has varied but the final decision is that it will be 3.6%. Of course the positive effect of a COLA will last for one month because some will receive the standard notification about the increase in their Federal Employee's Health Benefit insurance plans. Needless to say the insurance rates increases will not be like those in previous years but there will be changes – not only in the rates but also changes in the benefits. Service Officers should provide members with information to discuss changes in health plans because now is the time to make decisions. The 'Open Season' period is from November 14, 2011 to December 12, 2011. Any change to another plan must be made during this period. Be aware of the plans coverage and the expected plan coverage. This Newsletter will include specific information to consider.

Mary Venerable
Chair, Service Committee

PRE-RETIREMENT SEMINARS

Service Officers have many opportunities to contact currently employed Federal employees in your area. I remind you that this is a perfect opportunity to encourage current employees to ask their agency to participate in the NARFE Preretirement Counseling Training program before they retire. They should be encouraged to contact, Mary Pierson at 228-234-1484, or pre@narfe.org.

I also want to remind Service Officers to excel in carrying out their duties so that there can be more Service Officers recognized for the National Service officer of the Year award.

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millie6@sbcglobal.net

NARFE SERVICE CENTERS IN STATE OF CALIFORNIA

1 – CSFC District III, NARFE Service Center, Residence - P.O. Box 69, Patton, CA. 92369, (909) 862-7685 – Vaudis Pennell - By Appointment, quovau@sbcglobal.net
4 – CSFC District VII, NARFE Service Center, Vallejo, Ca. (707) 552-2546 Gordon Triemert, - By Phone – any time 946 Heartwood Ave., Vallejo, CA 94591 jay94591@yahoo.com
8 – CSFC District VI, NARFE Federal Retiree Service Center 5440 Dudley Blvd, McClellan, CA. 95652 (916)971-2888 Mgr. Robert Johnson (916) 635-4576. Mon. & Thurs. 9 a.m. to Noon. frjohnson4@aol.com

12 – CSFC District 1, Oceanside Senior Center, 455 Country Club Lane, Oceanside, CA. 92054 - Marcy Rose, (760) 722-5309 By Phone or Appt. marcyrose@aol.com

#21 – CSFC District I, Service by phone (619) 460-7992 – William Doll – after 9 a.m. imadoll@earthlink.net

35 – CSFC District IX, Residence of JoAnne Rowles 3916 Marilyn Place, Bakersfield, Ca. 93309-5924 (661) 833-1647– By Appt. jrowles@bak.rr.com

#42 – CSFC District VII, Residence of Vernon Rood, Service by Phone (707) 578-3180 – vrwood@aol.com

#55 – CSFC District VII, NARFE Service Center, 1524 Jefferson St., Napa, CA 94558 – Oliver E. Sheridan – (707) 257-2228 Monday thru Saturday – By Appt.

#78 – CSFC District IX, Fresno Service by Phone Charles Hedrick, (559)299-4207.

#133 – CSFC District X, Service by Phone, Jean Stone, – (530) 222-2321 – logeneaa@wmconnection.com

#145 – CSFC District IX, Service Center at Naval Air Weapons Station, 1 Admin. Circle, Mail Stop 1323, China Lake, CA. – Donald W. Cooper, (760) 939-0978. Mon. – Friday from 9 to 11 a.m. & 1-3 p.m. dat.cooper@verizon.net

149 – CSFC District VIII, Antelope Valley Senior Center, 777 W. Jackman Street, Lancaster, CA 93534 - Norma Keipe, (661) 726-4409. – Mondays 9 a.m. to Noon (except holidays)

171 – CSFC District IX, Service by phone - Gerald Sprouse, 1650 Christina Ct., Paso Robles, CA. 93446 (805) 237-0051 Jerrysprouse@charter.net.

183 – CSFC District VIII, Service by phone - Bob Willis, Port Hueneme, Ca. (805) 486-1235

#202 – CSFC District I, Service Center at Norman P. Murray Com. & Senior Center, 24932 Veterans Way, Mission Viejo, CA. 92692, Bert Zucker, (949) 470-3063. 2nd & 4th Mondays 1 to 3 p.m.

Notice: For up-to-date information see the Federation's website at www.CSFCnarfe.org. Please notify Vaudis Pennell of changes by calling (909) 862-7685 or E-mail at quovau@sbcglobal.net

YOUR ATTENTION IS INVITED TO THE FOLLOWING WEBSITES OF INTEREST

NARFE National Office at <http://www.narfe.org> *Issues of all SOS Newsletters and a Directory of Topics are available on line on the NARFE California Federation's Website in*

Publications at: <http://www.csfcnarfe.org> Publications on FEGLI Life Insurance at: <http://www.opm.gov/insure/life/index.htm>. Or (800) 633-4542

OPM Retirement at: www.opm.gov/retire for inquiries and changes.

NEW WEB SITES

OPM has a new Web Site:

www.opm.gov/insure/quickguide.asp

It is well organized. It includes information on FEHBP, FEGLI, and civil service retirement. It also includes a section on retirement planning, tools to calculate federal income taxes, a menu of publications for downloading and printing, and links to other federal agencies as well as to NARFE Web Site

OPM Services on line: <https://www.serviceline.opm.gov> Services Online – call at 1-888-767-6738 to get PIN, or email at retire@opm.gov.

OTHER IMPORTANT WEB SITES

Social Security and Survivor Benefit Plan for military:

<http://www.military.com/newcontent/0>,

<http://www.military.com/resources/resources>,

For copy of DD Form 214: <http://www.archives.gov/research/room/vetrens/index.html>. Army – www.Army.mil; Navy –

www.Navy.mil; Air Force – www.af.mil; Marines –

www.usmc.mil

www.usmc.mil

Legal matters/legal assistance <http://www.military.com/benefits/legal-matters/legal-assistance>.

Military Surviving Benefits – Covers Survivor Family Benefits, e.g. Dependency and Indemnity Compensation (DIC), Death Gratuity Death Pension, TriCare, and other survivor related benefits. <http://www.military.com/benefits/survivor-benefits-family-benefits>

U.S. Coast Guard, Benefit Information and Financial Education Department – Military Officers Association of America at 800-234.6622, x-106 (703) 838-8106 & website at

www.moaa.org

Medicare Part D Plan premiums

<http://www.cms.hhs.gov/MedicareAdvgt>

FREE Cell phone number for 411. Information Calls

(800) Free 411 - (800) 373-3411 -- *This also works on you home phone.*

California Legislative Bills: Telephone number to make your voice heard. The number is (961)-445-2841.

White House Comment Line: (202) 456-1111 - E-mail –

president@whitehouse.gov

NARFE Capitol Hill Toll Free No: (866) 220-0044 Call

this number, give the name of your Senator or Representative and you will be switched to their office.

NARFE Legislative Hotline by phone – (877-217-8234) (Toll-Free)

Links to Forms (including interactive), Publications and NARFE Online Reports are found on the Leadership Home Page in the Left panel.

VETERANS ADMINISTRATION WEBSITES OF IMPORTANCE

VA Military website – Spouses's entitlement to Veterans benefits after divorce.

<http://www.military.com/benefits/retiree/uniformed-services-former> spousesprotection-act;
Dept. of Veterans Affairs Home page <http://www.va.gov/>
Directory of Veterans Service Organizations
<http://www1.va.gov/vso/index.cfm?template=view>
Center for Women Veterans –
<http://www1.va.gov/cwomenvet/>
Homeless Veterans – <http://www1.va.gov/homeless/>
Power of Attorney – <http://www.warms.vba.va.gov/admin21/>
VA Publications Manuals –
<http://www1.va.gov/vhapublications/>
Websites to see Disability Examination Worksheets -
www.vba.va.gov/bln/21/Benefits/exams/index.htm
Website to search for Title 38 regulations to print out –
www.warms.vba.va.gov/TOCindex.htm

New Service Officer BLOG. The **Service Officers Bulletin Board** or **SOBB** can be accessed at www.narfe.org/sobb. What is a 'blog'? The word blog is a blend of the older term 'weblog' and is a website where you can enter comments that are commonly displayed and read by other users who have access to the blog. With a blog, you can access the site anytime the system is available.

Current Service Officers can now create their own messages instead of commenting on existing ones found under the four different categories. When you log on just click on "Create New Entry" and a screen will come up that allows you to title and write your message. David Snell, Director, Retirement Benefits Service Department suggests that you should give it a try – your will like it.

Current Cost of Living Adjustments (COLA)

The Cost-of-Living Adjustment (COLA) is effective December 1, 2011, and is first reflected in the annuity payment dated January 3, 2012.

Retired Federal employees and entitled surviving family members of deceased Federal employees and retirees have received a Cost-of-Living Adjustment (COLA) effective December 1, 2011, which will be first reflected in the benefit payable January 3, 2012. Under the Civil Service Retirement System (CSRS) and the Organization Retirement and Disability System (ORDS), the Cost-of-Living Adjustment (COLA) will be 3.6 percent for those who have received benefits for at least one year. The 3.6 percent increase was determined by computing the percentage increase in the Consumer Price Index (CPI) for urban wage earners and clerical workers from the third quarter average of 2008 to the third quarter average of 2010, as provided by the [U.S. Department of Labor, Bureau of Labor Statistics](http://www.bls.gov).

Under the Federal Employees Retirement System (FERS) and FERS Special, the COLA will be 2.6 percent for those who have received benefits for at least one year. This amount was derived from the same CPI comparison as CSRS. Federal Employees Retirement System (FERS) and FERS Special Cost-of-Living Adjustments are not provided until age 62, except for disability, survivor benefits, and other special provision retirements. FERS disability retirees get the adjustment, except when they are receiving a disability annuity based on 60 percent of their [high-3 average salary](#). Also, under FERS, if you have a CSRS component, the component is subject to the CSRS COLA calculation. FERS survivors receive the FERS increase on their entire annuity, even where component service is involved. To get the full COLA, a retiree or survivor annuity must have begun no later than December 31, 2010. If not, the increase is prorated under both plans. Prorated accounts receive one-twelfth of the increase for each month they received benefits. For example, if the benefit commenced November 30, 2011, the prorated COLA would be one-twelfth of the full COLA. Under both plans, benefits are paid on the first business day of the month after the month in which they accrue. Benefits which accrue in December 2011 are payable on January 3, 2012.

The following information can be found on the web at the following URL:

<http://www.opm.gov/insure/health/planinfo/2012/states/ca.asp>

Insurance Programs

2012 Plan Information for California

[The FEHB Program is Going Green - Find out more](#)

- [Nationwide Fee-for-Service Plans Open to All](#)
- [Nationwide Fee-for-Service Plans Open Only to Specific Groups](#)
- [State Specific HMO, HDHP and CDHP Plans](#)

Nationwide [Fee-for-Service](#) Open to All

Plan Code	Plan
10	Blue Cross & Blue Shield Service Benefit Plan
11	BlueCross & Blue Shield Service Benefit Plan
31	GEHA Benefit Plan
32	NALC
34	GEHA High Deductible Health Plan
41	MHBP Value Plan
44	SAMBA Health Plan

- 47 APWU Health Plan
- 48 MHBP Consumer Option

Nationwide Fee-for-Service Open only to Special Groups

- 38 Rural Carrier Benefit Plan
- 39 Foreign Service Benefit Plan
- 42 Compass Rose Health Plan
- 43 Panama Canal Area Benefit Plan

State Specific HMO, HDHP & CDHP Plans

- 22 Aetna Health Fund
- 2x Aetna Open Access, Los Angeles & San Diego
- 59 Kaiser Foundation Health Plan – Northern Ca.
- 62 Kaiser Foundation Health Plan – Southern, Ca.
- CY United Healthcare of CA. (formerly Pacific Care of Central & Southern, CA.
- LB Health Net of CA – Northern Region
- SI Health Net of CA – Southern Region

Information in this website provides opportunity to download any of the above plan information and the download of 2011 plan changes and rates. Those without internet can call **U.S. Office of Personnel Management** 1900 E Street, NW, Washington, DC 20415 | (202) 606-1800 | TTY (202) 606-2532

MEDICARE PLANS SHAKE-UP

Thousands of Inland area Medicare beneficiaries will have to choose different health plans this fall because two large insurers withdrew their plans. More than 18,000 residents in Riverside and San Bernardino counties, more of whom are enrolled in Medicare Advantage plans with SCAN Health Plan and WellPoint Anthem Blue Cross, are affected. The spokesman in the San Francisco office for the Centers for Medicare and Medicaid Services, Jack Cheever's oversees Medicare, the federal health program for people at least age 65.

At least three other smaller plans, including InterValley Health Plan, also have withdrawn plans. Cheever's said that Beneficiaries affected in both counties still have 40 plans from which to choose. There are more than 150,000 beneficiaries most of whom were WellPoint Anthem members must choose new plans.

Medicare's open enrollment for 2012 lasts through December 7. Beneficiaries, especially those who are losing their plans, can switch to original Medicare coverage which allows patients to choose doctors, hospital and other providers. Medicare Advantage generally requires patients to stay in a provider network.

Those affected Beneficiaries should receive a handbook which lists all area Medicare programs offered. Contacts can be made with the Inland Agency at (951)241-8723 or go to www.Medicare.gov to use Medicare's Plan Finder.

PLAN AHEAD FOR BENEFITS TAX IMPLICATIONS!

Many people are surprised when they begin to collect retirement or benefit payouts - and a large amount is taken out for taxes. Understand how taxes can impact your retirement or survivor benefits by ordering Taxation of Federal Retirement Benefits today!

<http://www.1105info.com/t.do?id=8142575:14253597>

Updated for 2011, Taxation of Federal Retirement Benefits includes:

- Contributions and their tax status for CSRS, CSRS-Offset and FERS employees
- Federal taxation of CSRS, CSRS-VCP and FERS annuities and survivor annuities
- Thrift Savings Plan (TSP) withdrawals
- Social Security retirement and disability monthly payments
- Federal gift or estate taxes due upon the death of a federal annuitant
- States that do not tax federal retirement benefits
- Real-life examples, sample forms and worksheets

Don't lose benefits monies - plan ahead for tax impacts and maximize your benefit payouts for retirement and your family. Order the 2011 Taxation of Federal Retirement Benefits now!

FEHBP & TRICARE FOR LIFE

TRICARE for Life coverage first became available for retired reservists, military personnel and eligible family members in October 1, 2001. I am still getting questions from those eligible for TRICARE regarding changing from health insurance coverage under the Federal Employee Health Benefits Program (FEHBP). The following information is provided about enrolling in TRICARE for Life. TRICARE for Life requires participation in Medicare Parts A and B. TRICARE for Life is a Medicare supplement plan which fills gaps in Medicare coverage, provides a Prescription drug benefit with low co-payments and is otherwise **premium-free**. If someone is covered by Medicare Parts A and B,

TRICARE for life and the FEHBP, Medicare is the primary payer. The FEHBP is the secondary payer, and TRICARE pays third.

With respect to the question about whether a retiree should enroll in TRICARE for Life and suspend their FEHBP coverage, our NARFE Retirement Benefits Service Department offers the following facts. TRICARE for Life does not have a premium. If you suspend your FEHBP coverage, you will be saving the annual FEHBP premium for as long as your suspension is in place. If you are married, and you suspend FEHBP coverage while enrolled in family coverage, you spouse will have the right to re-enroll in the FEHBP in the event of your death.

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CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

The Centers for Medicare and Medicaid Services (CMS) is now offering a new email update service that delivers the latest healthcare information to citizens' in boxes. Visitors to the www.cms.hhs.gov and www.medicare.gov websites can now sign up to receive updates on Medicare and Medicaid related topics throughout the site including Medicare Coverage Updates, Medicare Guidance to Providers, Open Door Forum Announcements, Press Releases, Prescription Drug Coverage, Nursing Home Quality, Medicare publications, claim forms, and much more.

With a subscription profile, you automatically receive notices when information is updated rather than have to frequently visit the website for changes. If you subscribe to more than one list service from CMS, you may receive messages and updates more than once. This is a free service provided by CMS. Your email address will only be used to deliver the information you request, or to give you access to your profile of subscriptions. You can change your profile at any time.

In order to ensure that you receive your subscription emails and announcements from www.cms.hhs.gov and www.medicare.gov, please add cmslists@subscriptions.cms.hhs.gov to your contact list, adjust your spam settings, or follow the instructions from your email provider on how to prevent our emails from being marketed "Spam" or "Junk Mail".

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MEDICARE FACTS FOR 2012

The Medicare open enrollment period began on October 15th and ends on December 7, 2011. Medicare Part A for many retirees is FREE, however in 2012 for others there will be an increase by just \$1 per month, and the deductible will increase by just \$24. Part A pays for inpatient hospital, skilled nursing facility, and some home health care, about 99% of Medicare beneficiaries do not pay a premium since they or their spouses have at least 40 quarters of Medicare covered employment.

However, some enrollees age 65 and over and certain persons with disabilities who have fewer than 30 "quarters of coverage" obtain Part A coverage by paying a monthly premium set

according to a statutory formula. This premium will be \$451 for 2012, an increase of \$1 from 2011. Those who have between 30 and 39 "quarters of coverage" may buy into Part A at a reduced monthly premium rate which is \$248 for 2012, the same amount as in 2011.

The Part A deductible paid by a beneficiary when admitted as a hospital inpatient will be \$1,156 in 2012, an increase of \$24 from this year's \$1,132 deductible. The Part A deductible is the beneficiary's cost for up to 60 days of Medicare-covered inpatient hospital care in a benefit period. Beneficiaries must pay an additional \$289 per day for days 61 through 90 in 2012, and \$578 per day for hospital stays beyond the 90th day in a benefit period. For 2011, per day payment for days 61 through 90 was \$283, and \$566 for beyond 90 days. For beneficiaries in skilled nursing facilities, the daily co-insurance for days 21 through 100 in a benefit period will be \$144.50 in 2012, compared to \$141.50 in 2011.

MEDICARE PART B:

The standard Medicare Part B monthly premium will go from \$96.40 to \$99.90 in 2012, a \$3.50 increase if they are not subject to the income-related premium adjustment (\$15.50 decrease over the 2011 premium of \$115.40)..

Medicare Part B covers a portion of the cost of physicians' services, outpatient hospital services, certain home health services, durable medical equipment, and other items. By law, the standard premium is set to cover one-fourth of the average cost of Part B services incurred by beneficiaries aged 65 and over, plus a contingency margin. The contingency margin is an amount to ensure that Part B has sufficient assets and income to (i) cover Part B expenditures during the year, (ii) cover incurred-but-unpaid claims costs at the end of the year, (iii) provide for possible variation between actual and projected costs, and (iv) amortize any surplus assets. Most of the remaining Part B costs are financed by Federal general revenues. (In 2012, about \$2.9 billion in Part B expenditures will be financed by the fees on manufacturers and importers of brand-name prescription drugs under the Affordable Care Act.)

The largest factor affecting the contingency margin for 2012 is the current law formula for physician fees, which will result in a payment reduction of about 29 percent in 2012. For each year from 2003 through 2011, Congress has acted to prevent smaller physician fee reductions from occurring. The 2012 reduction is almost certain to be overridden by legislation enacted after Part B financing has been set for 2012. In recognition of the strong possibility of increases in Part B expenditures that would result from similar legislation to override the decrease in physician fees in 2012, it is appropriate to maintain a significantly larger Part B contingency reserve than would otherwise be necessary. The asset level projected for the end of 2012 is adequate to accommodate this contingency.

In 2012, Social Security monthly payments to enrollees will increase by 3.6 percent. The dollar increase in benefit checks is expected to be large enough on average to cover the increase in the Part B premium of \$3.50 that most beneficiaries will experience. For those who were paying the standard premium of \$115.40, their benefits checks will only increase.

MEDICARE PART D:

The estimate for the average 2012 Part D premium for basic coverage is \$30. This is slightly lower than the actual average for 2011 of \$30.76. The estimate for the average 2012 Part D premium for supplemental coverage is \$8. The estimate for the average 2012 total Part D premium is \$38.

MEDICARE ADVANTAGE PLANS:

On average, Medicare Advantage premiums will be 4 percent lower in 2012 than in 2011, and plans project enrollment to increase by 10 percent. Of people with Medicare, 99.7 percent continue to enjoy access to a Medicare Advantage plan, and benefits remain consistent with those offered in 2011.

INCOME RELATED ADJUSTMENT:

As required in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, beginning in 2007 the Part B premium a beneficiary pays each month is based on his or her annual income. Specifically, if a beneficiary's "modified adjusted gross income" is greater than the legislated threshold amounts (\$85,000 in 2012 for a beneficiary filing an individual income tax return or married and filing a separate return, and \$170,000 for a beneficiary filing a joint tax return) the beneficiary is responsible for a larger portion of the estimated total cost of Part B benefit coverage.

In addition to the standard Part B premium, affected beneficiaries must pay an income-related monthly adjustment amount. These income-related amounts were phased-in over three years, beginning in 2007. About 4 percent of current Part B enrollees are expected to be subject to these higher premium amounts.

The 2012 Part B monthly premium rates to be paid by beneficiaries who file an individual tax return (including those who are single, head of household, qualifying widow(er) with dependent child, or married filing separately who lived apart from their spouse for the entire taxable year), or who file a joint tax return. Additional information about taxes can be found at the www.cms.hhs.gov and www.medicare.gov/websites.

As a result of the Medicare Modernization Act, the Part B deductible was increased to \$110 in 2005 and is indexed thereafter by the annual percentage increase in the Part B actuarial rate for aged beneficiaries. In 2012, the Part B deductible will be \$140, a decrease of \$22 from 2011. (The actuarial rate is set by law at one-half of the total estimated per-enrollee cost of Part B benefits and administrative expenses, adjusted as necessary to maintain an adequate contingency reserve.)

Questions on FEGLI.

1. An employee is divorced. The final decree orders a specific dollar amount to be paid to the former spouse. The SF 2823 only allows the employee to select a percentage, not a dollar amount. If the employee dies, will the FEGLI benefit be paid according to the specific amount on the decree or the percentage elected on the SF 2823?
2. Same scenario. The employee dies before the final decree is received by the servicing personnel office for posting to the employees OPF. Will the FEGLI benefit be paid based on the last SF 2823 on file or the divorce decree? Can the former spouse make a claim for the benefit if the divorce decree was never filed properly?

Answer:

On Form SF 2823 (Designation of Beneficiary Federal Employees Group Life Insurance Program), a FEGLI-insured employee can convert the specific dollar amount (as stated in the divorce decree) to a percentage of the FEGLI "basic" coverage amount, Option A (Standard), and Option B (Multiple of Salary) that the employee has. For example, if the employee has \$100,000 of FEGLI coverage and the divorce decree states that the former spouse is to receive \$75,000 in a death benefit, then "75%" should be put on Section B of Form SF 2823. Note that as the FEGLI "basic" amount and Option B amount increases (because the employee's salary is increasing), the percentage amount will have to be updated on Form 2823. Finally, the FEGLI death benefit will always be based on the most recently filed Form SF 2823 and not on the divorce decree.

Question: TSP age-based and hardship withdrawals

- I'm a FERS employee and I'll be eligible for a one-time age-based in-service TSP withdrawal later this year. Will there be any problem making such a withdrawal within the 6 month period following a TSP hardship withdrawal? Is there anything else that could prevent me, if I have an outstanding hardship withdrawal, from making an age-based withdrawal once I am 59 1/2?

Answer: Assuming you are age 59.5 or older, there would be no problem in your requesting a one-time age-based withdrawal from your TSP account. The only information you have to know about an age-based TSP withdrawal is: (1) the most you can withdraw is the lower of \$1,000 or more, or your vested TSP account balance; (2) this is a one-time only withdrawal which will prevent you from requesting a partial withdrawal (of at least \$1,000) once you retire from federal service; and (3) the withdrawal is fully taxable, subject to federal and state income taxes - there is mandatory 20 percent in federal income taxes withheld from your withdrawal unless you request a direct transfer of your withdrawal to a traditional IRA or to an eligible retirement plan.