

S.O.S. NEWSLETTER

“SERVICE OFFICERS FOR SERVICE”

SERVICE OFFICER NEWSLETTER

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EDITORS MESSAGE

How many of you have assisted a family member and received the appreciation from them for your help?. Service Officers typically take care of matters related to the death of an annuitant or their spouse. In every case, is the Service Officer using the opportunity to encourage the annuitant to attend monthly Chapter meetings, get involved with Chapter activities or even become an officer. The death of a spouse leaves a void and it is an opportunity for the spouse/member to keep busy and not withdraw from activities because of their loss.

In the case of providing assistance to a surviving spouse, your contact should result in the spouse becoming a member and also getting active with the Chapter. In many cases the spouse is not a member. Service Officers should take steps to encourage the spouse to join to insure he/she stays informed about the benefits and changes to the benefits.

Service Officers also have opportunities to become a super recruiter, why not use the opportunity and earn money in the meantime.

I am conducting a Service Officer Workshop at the San Mateo Conference on June 2, 2005. See you there.

Mary Venerable
Chair, Service Committee

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Dist. X. - Chester H. Olson, #1655 (530) 527-8034, - Amcho@aol.com

NARFE SERVICE CENTERS IN STATE OF CALIFORNIA

35 –3916 Marilyn Place, Bakersfield, Ca. 93309 (661) 833-1647– JoAnne Rowles– By Appt.
8 – NARFE Federal Civilian Service Center 5440 Dudley Blvd, McClellan, CA. 95652 (916)971-2888 or 2889 – Ann

1 – NARFE Service Center, Residence - P.O. Box 69, Patton, CA. 92369, (951) 862-7685 – Vaudis Pennell - By Appointment.

#21 - Elderhelp of San Diego, 4069 30th St., San Diego, (619) 284-9281 – William Doll – Thurs. 9 a.m. to 12 Noon

#42 – Residence of Vernon Road, 2318 Northwood Dr., Santa Rosa, CA. 95404 (707) 578-3180 – Q & A's by phone -mail Vrood@aol.com

145 – NARFE Retiree Affairs, Naval Air Warfare Station, Bldg. 2302, Rm. C, Blandy St., China Lake, CA. 93555 (760) 939-0978 – Theresa Gonzales – Mon – Fri. 9 - 11 a.m. & 1 - 3 p.m.

4 – Mare Island Naval Shipyard, Bldg 535, 2nd Floor, Vallejo, Ca. (707) 562-3179 - Everett Crockett, - Mon. – 12 Noon to 4 p.m. Mail – 312 Hampshire St., Vallejo, CA 94590.

171 – Residence of Katie Karikka, Los Osos, CA. (805) 528-2422 – Questions & Service by phone 24 hr.

183 – Residence of Emile Lapointe, 204 E. Viesta Green, Port Hueneme, CA. 93041 (805) 984-3341 Questions & Service by phone.

149 – Antelope Valley Senior Center, 777 W. Jackman Street, Lancaster, CA 93534 - Norma Keipe, (661) 726-4400. – Mondays 9 a.m. to Noon (except in July, August & holidays)

12 - Oceanside Senior Center, 455 Country Club Lane, Oceanside, CA. 92054 Josephine M. Murphy - (760) 433-8933 - Weds. 12 Noon to 3 p.m.

78 - Fresno Veterans of Foreign Wars, 530 N. Parkway Dr., Fresno, CA. (559)266-9604 – Victor Horg – 1st & 3rd Tuesday – 1 p.m. to 5 p.m.

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

133 – NARFE Service Center, Member 1 Credit Union, 1380 Hilltop Dr., Redding, CA 96003 – Glenn Shaw (530) 222-6060 - 4th Wednesday each mo. From 10 a.m. to 2 p.m.

#202 -NARFE Service Center, Norman P. Murray Com. & Senior Center, 24932 Veterans Way, Mission Viejo 92692. Bert Zucker – (949) 470-3063 – 2nd & 4th Monday ea. Month from 1-3 p.m.

Notice: The status and information about Service Centers is subject to change. For up-to-date information see the Federation's website. Notify Jo Murphy of changes by FAX (760) 439-5277 or E-mail at mjojo@worldnet.att.net

***REMEMBER VOLUNTEERS
ARE NEEDED!***

WEBSITES OF INTEREST

Issues of all SOS Newsletter are available on line through NARFE California Federation Web Site – <http://csfcnarfe.org>
NARFE National Office at <http://www.narfe.org> - Publications
FEGLI Life Insurance at <http://www.opm.gov/insure/life/index.htm>
(800)633-4542 OPM Retirement
www.opm.gov/retire

**OLDEST FEDERAL RETIREE GROUP
CHANGES NAME:
MISSION REMAINS THE SAME**

The National Association of Retired Federal Employees (NARFE) has a new name. It is now the **NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES ASSOCIATION**. But the acronym - NARFE - and the mission remain the same: *protecting and enhancing the earned annuity and health care benefits of America's retired federal workers*. "The name change simply tells those active federal workers, men and women who are two, four or six years from retirement, that they need NARFE before they retire," said NARFE National President Charles L. Fallis. "We need to add their names to our membership roll to boost NARFE's clout with our elected officials at the local, state and national level. There are issues such as Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) that will affect many thousands of CSRS (Civil

Service Retirement System) retirees. And NARFE's Premium Conversion legislation (allowing federal civilian retirees and active and retired military to pay their share of FEHBP premiums with pre-tax dollars) will save all federal retirees hundreds of dollars a year if we can get it through this session of Congress," Fallis said.

Although NARFE has 400,000 dues-paying members, Fallis said membership has been sliding over the past decade. "All of the associations around here are finding it difficult to grow. People today are not joiners like they were years ago," he said. "We are hoping, with the name change, to sort of stem the trickle."

Current employees may join for \$25 a year, \$45 for two years or pay \$60 for a three-year membership. Benefits of membership include a subscription to the NARFE magazine, e-mail alerts on policy issues and discounts on products sold by NARFE partners. It is important to convey to current employees the advantages to joining for these reasons.

NARFE is not a union, but it operates a political action fund that distributes about \$1 million annually on a nonpartisan basis to members of Congress and candidates that share its policy goals, Fallis said. The name change and recruitment effort could lead to competition between NARFE and federal unions for new members -- what Fallis called "the downside" of the name change. But he said NARFE intends to partner with federal unions on shared concerns while maintaining its traditional focus as "the personnel office, if you will, for retirees."

**WARNER, DAVIS AND PORTER
UNVEIL FEDERAL RETIREE
HEALTH CARE TAX BREAK BILL**

Legislation to allow federal and military retirees to pay their health insurance premiums with pre-tax earnings was introduced today (March 1) by Sen. John Warner (R-VA), Chairman, Armed Services Committee, Rep. Tom Davis

(R-VA), Chairman, Committee on Government Reform, with the support of Rep. Jon Porter (R-NV), Chairman, Subcommittee on Civil Service and Agency Organization. Charles L. Fallis, National President of the National Active and Retired Federal Employees Association (NARFE), and many state and local officers attending NARFE's biennial legislative conference - as well as leaders of The Military Officers Association of America (MOAA) - joined the lawmakers at a press conference in the Russell Senate Office Building on Capitol Hill.

The Warner-Davis bills would amend the tax code to allow Federal civilian and military retirees - as well as active duty military employees - to pay their health insurance premiums on a pre-tax basis, as active federal civilian employees can already do.

Under this legislation, the amount retirees pay for their share of health insurance premiums would be subtracted from the amount of their income reported to the IRS. The income tax paid by retirees would be lower because their taxable income would be lower. Federal and military retirees would not be required to take any further action under this legislation since their reported income would automatically result in lower income tax. Fallis said that, "The reasons why these bills should become law are clear. Premiums for plans available through the Federal Employees Health Benefits Program (FEHBP) - along with other employer-sponsored plans - have skyrocketed every year since 1998. In response, this "premium conversion" benefit was granted to executive branch employees in October 2000 and to legislative branch workers in January 2001. While we're glad that our colleagues who are still working receive this relief, we were disappointed that annuitants were left out since the tax code is unclear on whether we may participate. As a matter of equity, federal annuitants must receive this

same relief." He noted that much of the 1.3 to 3.5 percent COLAs received by Federal annuitants and military retirees during the last eight years have been eroded by large increases in health insurance premiums. "The reality," Fallis explained, "is that a significant portion of the average monthly cost-of-living adjustment are consumed each year by FEHBP enrollee share increases. "More than just retirees should care about this legislation," said Fallis, "Imagine the shock of a newly retired federal employee when he receives his first annuity check and learns that the federal government no long uses pre-tax earnings to pay his share of health insurance premiums," Fallis said. "That average annual tax savings of \$434 he received when working ended when he retired from the government - just when it's needed the most." "I pledge the full advocacy efforts of NARFE behind this legislation," the NARFE President concluded.

MEDICARE ISSUES

Questions began coming in from members in January regarding issues with Medicare. Service Officer Jeannie Sprenger in Long Beach Chapter 0021 identified one issue after she got a call from a member who received a letter from Kaiser National Medicare Finance Department in Oakland, Ca. The letter read: *"Dear Kaiser Permanente Member. We have recently completed an internal audit of our OPM retirees. It was brought to our attention that we do not have your current Medicare Claim Number on file. Your Medicare Claim Number can be found on your red, white and blue Medicare card. If you do not have Medicare and would like more information you can contact Medicare by calling 1-800- Medicare (1-800-633-4227) . . . Please complete the bottom portion of this letter and return it in the enclosed postage-paid envelope. If we do not hear from you within the next two weeks we will call to follow up. Thank you in advance for your cooperation."*

Now on the surface, this letter gives the appearance of an "audit inquiry". It was a concern to the member who did not have Medicare. He became upset thinking that Kaiser was requiring him to obtain Medicare. Being elderly, it also had the effect of making him think he was going to have to sign up for Medicare and suffer the penalty.

Jeannie contacted me and I contacted Ken Glass of NARFE Retirement Services. He advised me that this type of inquiry was not just being done by Kaiser. He indicated that other plans have the same responsibility for asking about Medicare information so that the plans can bill Medicare where appropriate. Ken indicated that OPM has repeatedly asked the HMO plans to assure that they billed Medicare in all appropriate insurances to keep costs down in the FEHBP.

He also advised the Kaiser contracting officer at OPM of the upsetting effect on our member's reaction to the way the letters were written.

I thank Jeannie for her inquiry and staying on top of the many issues of concern to our members.

LEGISLATIVE ISSUES GET SPONSORS

Two pairs of NARFE supported bills have been introduced in the 109th Congress. While both are attracting cosponsors, each NARFE member should contact his or her own congressional delegation, one Representative and both Senators, in support of these bills.

Premium Conversion would allow civilian and military retirees to pay certain health care costs on a pretax basis. For civil service annuitants, paying FEHBP premiums on a pretax basis is a \$300 to \$500 annual tax savings. NARFE members should urge their Congressional delegation to join sponsors Rep. Tom Davis (R-VA) and Sen. John Warner (R-VA) by cosponsoring H.R. 994 (72 cosponsors) and S. 484 (12 cosponsors) respectively. (For state-by-state listing

of cosponsors start at: <http://capwiz.com/narfe/issues/bills/>

The second pair of bills would entirely repeal the Social Security Government Pension Offset and Windfall Elimination Provision. Like our Premium Conversion champions, Davis and Warner of Virginia, both of our GPO/WEP champions hail from California. They are Rep. Buck McKeon (R-CA) and Sen. Dianne Feinstein (D-CA). The House bill, H.R. 147, already has 237 cosponsors; the Senate bill, S. 619, has 8.

DESIGNATION OF BENEFICIARY FORMS

In previous issues, I have spoken about the importance of having Designation of Beneficiary forms completed for CSRS and FERS retirement benefits (SF-2808 – SF 3102); Federal Employees Group Live Insurance. (2823) and Thrift Savings Plan for CSRS & FERS. (TSP-3). At the time of death of a surviving spouse, new designations of beneficiary forms are required. OPM will send these forms when requested.

At time of death of an annuitant, OPM will send the appropriate Designation of Beneficiary form to the surviving spouse for the unpaid annuity due a retiree in the month in which he or she dies. For example, if the retiree dies on May 29, the beneficiary is entitled to 29 days of annuity for May.

MATTERS ABOUT WEP & GPO

There is a lot of discussion about the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), and unfortunately many people do not understand the differences and/or the effects of these two provisions. I will attempt to help Service Officers become more informed and hopefully able to explain the negative effects of these provisions. There are brochures that explain the differences but hopefully, the following

First, we will talk about the real issue regarding how much it would cost to

eliminate the WEP and GPO. According to the information on Social Security's website, "elimination of the WEP would have a 10-year cost of \$29.7 billion. The long-range cost is estimated to be 0.06% of taxable payroll. Elimination of the GPO would have a 10-year cost of \$32.2 billion. The long-range cost is estimated to be 0.06% of taxable payroll.

Elimination of both provisions would have a 10-year cost of \$51.9 billion. The long-range cost is estimated to be 0.12% of taxable payroll.

Also, the Social Security program is facing a serious long-range deficit – 1.92% of taxable payroll. Over the next 75 years, program cost is estimate to exceed income to the program by 14%.

As of December 2002, the total number of people affected by the WEP was 635,000 retired and disable workers, and 64,000 family members. About 367,000 spouses and surviving spouse's had their benefits affected by the GPO provision.

And finally, about 6.5 million beneficiaries had their benefits as spouses or surviving spouses reduced under the dual entitlement provisions (because they were also entitled to retirement or disability benefits on their own record)

Now you should ask the question – What is the difference between WEP and GPO? These two provisions affect people with pensions from non-covered employment. (*Non-covered means pensions earned not subject to Social Security*). The WEP affects the computation of benefits for **retired and disabled workers**. The GPO results in a benefit "offset" for individuals receiving spouses or surviving spouse's benefits.

The WEP uses a modified benefit formula when computing a retired or disabled workers own benefit (and the benefits of their family). If the worker also receives a pension based on whole, or in part, on his/her own earnings in non-covered employment.

While benefits are lower using the modified WEP formula, they are never totally eliminated. The maximum reduction under the WEP formula is \$306 per month. There are exceptions e.g. if the person's pension is \$500 per month, the WEP reduction could not exceed \$250.

If you worked in a job that was not covered under Social Security, e.g., some Federal, State, or local government employment, the pension you get based on that work may reduce your Social Security benefits. Your benefit can be reduced under one of two provisions. The first called "Government pension offset", applies ONLY if you receive a government pension and are eligible for Social Security benefits as a spouse or widow(er). Under the provision, your Social Security benefit may be reduced by two-thirds of the amount of your government pension. (There are always exceptions to this rule but many federal retirees don't meet the exceptions – see <http://www.socialsecurity.gov/applyforbenefits>. for these exceptions and additional information.)

Benefits paid by Social Security to wives, husbands, widows and widowers are "dependent's" benefits. These benefits were established in the 1930's to compensate spouses who stayed home to raise a family and who were financially dependent on the working spouse. But as it has become more common for both spouses in a married couple to work, each earned his or her own Social Security retirement benefit. The law has always required that a person's benefit as a spouse, widow, or widower would be offset dollar for dollar by the amount of his or her own retirement benefit.

Prior to the GPO, a woman who worked for the government and earned her own \$800 monthly retirement benefit and did not pay into Social Security, could also be due \$500 wife's benefit on her husband's Social Security record. However, after the GPO, Social Security could not pay the wife's benefit

because her own Social Security benefit "offset it". Thus, the GPO provides that a person's Social Security benefits as a spouse or surviving spouse is reduced by 2/3's the amount of any government pension the person receives based on his or her own worker in Federal, State or local government employment not covered by Social Security. This offset is similar to the dual entitlement offset that applies to the spouse's or surviving spouse's benefits paid to individuals who work in employment covered by Social Security. **Under the GPO, it is possible for the spouse's or surviving spouse's benefit to be TOTALLY ELIMINATED.**

MEDICARE PART B ENROLLMENT ASSISTANCE FOR TRICARE BENEFICIARIES

The are approximately 40,000 TRICARE-eligible recipients of Medicare Part A who were not notified of their opportunity to enroll in Medicare Part B.

Under the Medicare Modernization Act of 2003 such beneficiaries received a special Medicare Part B enrollment period, allowing them to chose a month of Part B entitlement, and an exemption from additional premiums traditionally chargeable for late enrollments.

Social Security will allow beneficiaries the opportunity to enroll in Part B at the date of their choice (any month from January 2004 through June 2005) regardless of when they are contacted by SSA or when they independently come forward. During the last week of March 2005, SSA sent out notices to those recently identified individuals, providing an explanation of their Medicare enrollment options and a form they could return in order to select a Part B enrollment date.

Medicare-eligible TRICARE recipient who have not heard from SSA, should go to a local SSA Office or call 1-800-772-1213.