

# S.O.S. NEWSLETTER

## SERVICE OFFICERS FOR SERVICE

SERVICE OFFICER NEWSLETTER

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### EDITORS COMMENTS

*We are nearing the end of the year and the good news is that I have finally gotten time to get to our SOS Newsletter. My reason is for delay is that I accepted the responsibility of being the President of the NAACP Branch in my area. Not being prepared for the additional responsibility, I found the time of the year going by faster than I imagined. After receiving an indication that my Newsletter was missed, I decided to get busy.*

Unfortunately, I developed the attitude that there weren't many who were not interested in receiving the newsletter. I guess I was wrong.

*Mary Venerable*  
Chair, Service Committee

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### 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](mailto: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](mailto:jay94591@yahoo.com)

# 8 – CSFC District VI, Service by Phone Ann Kahoe - (916)489-6991

#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](mailto:marcyrose@aol.com)

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

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

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

#55 – CSFC District VII, NARFE Service Center, Vacant

#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](mailto: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](mailto: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](mailto: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. 2<sup>nd</sup> & 4<sup>th</sup> Mondays 1 to 3 p.m.

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

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#### 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](http://www.opm.gov/retire) for inquiries and changes.

#### NEW WEB SITES

OPM has a new Web Site:

[www.opm.gov/insure/quickguide.asp](http://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.servicsonline.opm.gov> Services Online – call at 1-888-767-6738 to get PIN, or email at [retire@opm.gov](mailto: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](http://www.Army.mil); Navy –

[www.Navy.mil](http://www.Navy.mil); Air Force – [www.af.mil](http://www.af.mil); Marines –

[www.usmc.mil](http://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](http://www.moaa.org)

Medicare Part D Plan premiums

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

FREE Cell phone number for 411. Information Calls (800) Free 411 - (800) 373-3411 -- *This also works on your 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](mailto: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 – Spouse's entitlement to Veterans benefits after divorce.

<http://www.military.com/benefits/retiree/uniformed-services-former> spouses protection-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/>

**New Service Officer BLOG.** The Service Officers Bulletin Board or **SOBB** can be accessed at [www.narfe.org/sobb](http://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.*

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### MEDICARE PLANS SHAKE-UP

Thousands of Inland area Medicare beneficiaries had 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](http://www.Medicare.gov) to use Medicare's Plan Finder.

### Why does OPM disable PINs?

**QUESTION:** I was unable to log into "Services Online" on the Office of Personnel Management (OPM) website to change my tax withholding because it had been more than 15 months since I had logged in before. The phone number supplied was busy, and then I got disconnected. And when I sent an email, the automated reply said it would be at least a week before I could get a new Personal Identification Number (PIN). There should be an easier way to do this.

**ANSWER:** NARFE agrees with you. We have discussed this problem with OPM and hope it will change the online system so that retirees may obtain a new PIN online, instead of having to contact OPM for a replacement PIN. OPM cites security concerns as the reason for the procedure it has now.

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### What changes are being made to how federal benefits are being paid? When will the changes take place?

Effective March 1, 2013, the U.S. Department of the Treasury will require all federal benefit and non-tax payments to be made electronically. (Non-tax payments include federal wage, retirement and vendor payments.) Electronic payments are safer, easier and more reliable than paper checks.

People applying for federal benefit payments must choose an electronic payment option at the time they apply for the benefit. People currently getting federal benefit checks must switch to electronic payments by **March 1, 2013**. The Treasury Department recommends **direct deposit** to a bank or credit union account or to a **Direct Express®** card account. People who do not choose an electronic payment option by March 1, 2013, or at the time they apply for benefits, will receive their federal benefit payments via the **Direct Express®** card, so they will not experience any interruption in payment. People who are already receiving their benefit payments electronically do not need to take action. They will continue to receive their payment as usual on the payment day.

These changes apply to federal benefit payments from the following federal benefit agencies:

- Social Security Administration, including:
- Social Security and Supplemental Security Income (SSI) payments
- Veterans Affairs (VA)
- Railroad Retirement Board
- Office of Personnel Management
- Department of Labor (Black Lung)

### 3. What are electronic payments? What is direct deposit?

Electronic payments, which allow for the exchange of funds through paperless methods, are safer, easier and more reliable than paper checks. **Direct deposit** is the electronic transfer of a payment from a company or organization into an individual's checking or savings account. When you get your federal benefit payment electronically, the U.S. Department of the Treasury sends an electronic message to your bank or credit union or **Direct Express®** card account crediting your account

with the exact amount of your benefit. The difference is, your check isn't printed or mailed. The government and businesses use direct deposit to transfer millions of dollars every day. Your money is safe with direct deposit. To learn more about direct deposit, you can talk to your local bank or credit union.

#### 4. Is there an option for federal benefit check recipients who don't have a bank account?

Yes. The **Direct Express®** card is a safe, no- or low-cost electronic alternative. No bank or credit union account or credit check is required to enroll. Cardholders can make purchases, pay bills and get cash. This also is an option for those who prefer a prepaid debit card recommended by the U.S. Department of the Treasury. Many other card services are free, including:

- Purchases at retail locations
- Cash back at retailers at the point of sale
- Optional notification of deposits to your debit card account by phone, email or text message
- Optional low-balance alert when your account balance falls below a certain level
- Balance inquiries at ATMs, by phone or online
- Access to the toll-free customer service number or website 24 hours a day, seven days a week
- One (1) ATM cash withdrawal in the United States for each deposit posted to your account. ATM owner surcharges may apply at ATMs outside the **Direct Express®** card surcharge free network ([see Fee Tables and surcharge free network for details](#)).

#### 5. How do people sign up for or switch to electronic payments of their federal benefits?

**People applying for federal benefits should be ready to sign up for direct deposit when they apply for federal benefits and understand what information they should have on-hand to sign up. This will ensure they get their benefit payments in the safest, most reliable way possible.**

To get benefit payments by **direct deposit** into an existing financial institution account, people should be prepared with the following information for a smooth enrollment:

- Account type: checking or savings
- Account number
- Financial institution's routing number

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#### **CHANGE IN NARFE BENEFITS SERVICE DEPARTMENT**

On May 1, 2012, the Retirement Benefits Service Department became the **Federal Benefits Services Department**. This notification was prepared by David B. Snell, Director at NARFE [dsnell@narfe.org](mailto:dsnell@narfe.org).

The change was made to more accurately describe the function of the department. Service Officers can make inquiries for their members to this department to obtain information and guidance not just on federal retirement matters

but also on a wide range of federal benefits that affect federal employees and retirees. The department's email boxes will not be changed so members can still email us at [retbenefits@narfe.org](mailto:retbenefits@narfe.org) and [fehb@narfe.org](mailto:fehb@narfe.org).

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*I am including in the following speech about future Health Plan Information and considerations by OPM in evaluating health plan and options. It is my belief that the information included is not normally be seen or heard of by retirees. I received the information as educational. I hope the reader feels the same.*

**Speech to FEHB Carrier Conference**  
**John O'Brien,**  
**OPM Director of Health Care and Insurance**  
March 29, 2012

Thank you, it is my pleasure to be here. I'd also like to thank Candy Schaller and America's Health Insurance Plans, our partner in hosting this conference for over 15 years now. I would also like to specifically acknowledge Ellen Gay, who pulls this together every year. Herding all of the agenda, the logistics, and the presentations and the inevitable last minute adjustments is no mean feat, and that this comes off as smoothly as it does is a testament to her efforts.

The primary challenge for all of us is the same as it has been for the last 50 years: To provide a diverse pool of over 8 million federal employees, retirees and their dependents with high quality, high value health coverage. Since those 8 million live in every county in the country and around the world and reflect the demographic diversity of the country, that is challenge enough. The FEHB's key insight is the recognition that there is not a one-size fits all response to this challenge. The FEHB model of a marketplace where employees and retirees can choose among a wide range of private coverage options has worked remarkably well. In fact, as we all know, the FEHB model is a template for the state based exchanges that are being implemented under the Affordable Care Act in 2014.

The model works because it is both reliable and constantly changing.

**Reliability:** open season rolls around every fall and the federal employees and retirees we serve are assured that they will have a good set of coverage options available to them no matter where they live.

**Constantly changing:** The mix of coverage options, delivery systems and benefit structures that are on offer in 2012 are very different from those offered in 1992 or 2002. We engage in a yearly dance to reconcile changes and innovations based upon plans' experience in the larger health care market place with the needs the federal workforce. Together, we keep health care coverage affordable and available. It is not a simple process, and it must be reworked and, yes, rediagnosed, continually if it is to continue to succeed ... I would like to highlight some of major program events of the past year.

First, the one-percent adjustment to the premiums of community rated plans is no more. This adjustment was needed to account for the challenges inherent in collecting and confirming plan enrollments across the diversity of federal agencies and payroll systems. Thanks to the combined efforts of OPM, plans and agencies, that need has been met. . . . in fact it took several years - but the issue has been addressed. Second, the Similarly Sized Subscriber Group, or SSSG methodology for community rated plans is also a thing of the past. As the Director said last year, plans were concerned that this methodology - developed for the health care market place of the mid-1990 - had outlived its usefulness. We agreed.

With the passage of the Affordable Care Act and the development of clear standard for medical loss ratios (MLR) there was a ready substitute. We implemented MLR on a pilot basis last year, which provided us with very useful information. So, taking what we have learned into account, an MLR based approach to premium negotiations for community plans is our new standard. . . . It introduces a greater degree of transparency and predictability, both for plans and for OPM's negotiators. The FEHB works because plans see a market in which they can effectively compete on the basis of price and quality. OPM, for its part, is looking to work with plans committed to delivering services to federal employee and retirees over the long term. This revised methodology contributes to those goals.

. . . For the 2013 contract year we have approved 10 new plans in the FEHB. This is more new plans entering the FEHB than the last 5 years combined. This is significant development, which I hope to see more of next year. . .

We are not only welcoming new plans to the FEHB... but also a whole new population to serve. Under the Affordable Care Act tribes and tribal organizations may purchase health coverage for their employees through the FEHB. Implementing this provision of the Affordable Care Act has presented some special challenges for OPM. We have had to figure out how to interact with what are essentially up to 600 new organizations to collect enrollment information and premium payments. . . .

We have been simultaneously developing the rules and regulations for the program and the operational processes to allow enrollment. . . . The ability to participate in the 8 million person group that is the FEHB will provide choice of price competitive, quality plans to small groups, many in remote areas. Since we have been doing just that for federal employee all these years we were in a perfect position to do it for tribes. Now, we are looking to you to both help educate tribal benefit administrators about the program and to welcome these new enrollees in your health plans and to make the transition from their current health coverage to the FEHB as seamless as possible.

. . . We remain committed to a strong wellness focus, in the workplace and in the delivery systems. These are not just a benefit and part of health insurance, but integral to OPM's mission of assuring that the federal workforce is as effective as it can be. Wellness contributes to productivity and we should

be incorporating a wellness focus in everything we do. . . We are taking a broader view of incentives and encourage you to propose solutions that you have pioneered with private employers.

We will be challenging you to work with us to better control pharmacy costs in the program. These costs represent almost a third of our overall spending. Success in managing pharmacy costs creates opportunities for better value for all program participants. We have some very concrete and specific ideas that we are pursuing and will be presenting them to you today. This is a complex issue with numerous perspectives. We look forward to a lively discussion here, and elsewhere, on how to best move forward.

Finally, I want to highlight some developments that will enormously influence how we collectively chart the FEHB's future course. . . . The first is to more effectively use data to better understand our population, its utilization patterns, and the performance of individual plans. The second is to sharpen the FEHB's focus on health quality measurement and accountability so that those concepts are at the forefront of our work with plans. . . .

A year ago at this conference, Director Berry announced that OPM's Health Claims Data Warehouse would be operational this year. To quote Director Berry "with eight million covered lives in every corner of or country, of every age and every health status, we can be at the forefront of learning" while "vigorously protecting patient privacy."

I am happy to report that through the hard work of the Planning and Policy Analysis team, working in close cooperation with OPM's Office of the Inspector General -- OPM has delivered on the Director's charge. We have an operating, secure data warehouse. To assure the security of this data, the data warehouse is operated jointly with the OPM Inspector General. The analysis is at the population level. . . . we now have the ability to use this data to look at the disease burdens and utilization of enrollees at the population level in the FEHB in ways we never have before. . . . As I said, the second area where we are making a long term commitment is to bring a clear and strong clinical perspective to the oversight of the FEHB. As the largest private insurance operation in the nation, with over 43 billion dollars a year in premiums, the FEHB must be a leader in truly integrating quality, and quality measurement into everything we do.

While it is almost a cliché to say that health care and the health delivery systems are rapidly changing, I think that we can agree that the changes put in motion by the Affordable Care Act have added new dimensions to that change. We must be actively responding to the potential of Accountable Care Organizations and Patient Centered Medical Homes while remembering that we serve areas where some innovations will arrive slowly.

. . . If OPM and its contract officers are to hold plans accountable for performance in a way that is consistent with

good practice, we must have a clear understanding of the underlying clinical issues and a vision for how the FEHB interacts with the larger delivery system. I am very pleased to say that we have taken important steps to give the FEHB the strong clinical leadership it needs.

First of all, we have created the position of Chief Medical Officer. This position is charged with providing leadership in clinical quality issues for the FEHB, as well as for the multi-state plans that OPM is charged with developing under the Affordable Care Act. More importantly, we have filled that position with someone immensely suited to the task at hand. Dr. Christine Hunter comes to OPM following a distinguished 30 year career in the Navy during which she served as Commanding Officer of Navy Medicine West and Naval Medical Center San Diego... Chief of Staff, Bureau of Medicine and Surgery, Pacific Fleet Surgeon... Commanding Officer of Naval Hospital Bremerton... Executive Assistant to the Navy Surgeon General, and Director of Medical Services at Naval Medical Center San Diego. And, if that wasn't enough, she completed her active duty career as a Rear Admiral, coordinating health care for 9.6 million military beneficiaries worldwide as the Deputy Director of TRICARE Management Activity.

In the less than 4 months Dr. Hunter has been at OPM, she has used her talents and experience to move the program forward in some very meaningful ways. She has already reached out to many of your medical officers to establish ongoing relationships which will help us in aligning FEHB with best practices in the private sector. We are committed to making quality accountability and performance measurement central to the FEHB model and, as you will learn in just a few minutes Dr Hunter has some clear thoughts on how to accomplish that. Dr. Hunter is the latest addition to a team that it has been my great pleasure to work with. In my colleagues - both at OPM and at the plans - I find a level of commitment to mission and creativity in accomplishing that mission that is unmatched in my career. We share in our dedication to making the FEHB work. I saw that commitment most recently in the real and practical advice a number of plans provided OPM about on how to assure that OPM succeeded in bringing tribal employees into the FEHB.

It is my great privilege to work with each of you. I have worked my entire career in health care in capacities as varied as clinic manager to hospital regulator. I can honestly say that I have never had a position as constantly interesting, exciting and fun as the position I have now. None of the work we have before us is easy. It is hard. But it is good work. It recalls President Kennedy's reference - that the ancient Greeks defined happiness as the full use of your powers along the lines of excellence.

Together, we pursue excellence in our field. Done well, it will help a lot of people in very tangible ways. We can and we will provide insurance to the healthy and get care to the sick, at

prices both can afford I look forward to continuing that work with you.

Thank you.

**John O'Brien,**  
**OPM Director of Health Care and Insurance**

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**OPEN SEASON FOR 2012**

The Office of Personnel Management has announced that this year's Federal Benefits Open Season will run Nov. 12-Dec.10. New for this year, all Federal Employees Health Benefits Program plans will provide on their websites a summary document detailing information about health plan benefits and coverage, as required under the Affordable Care Act. NARFE magazine will provide comprehensive analysis of many FEHBP plans in its October, November and December issues.

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***Excluding tax-free portion of annuity***

**Question:** When I retired under the Civil Service Retirement System (CSRS), I computed the tax-free portion of my monthly annuity and was advised that I may continue to exclude the amount until I have fully received my after-tax contributions to the CSRS. Will the Office of Personnel Management (OPM) advise me when I have fully recovered these contributions and no longer can deduct the amount on my tax forms?

**Answer:** The tax-free portion of the annuity payment is based on an actuarial lifetime. OPM has that lifetime computed for each retiree and provides the tax-free amount on the annual 1099R tax form it mails to each federal retiree. Once the annuitant has hit the lifetime limit, OPM will no longer show a tax-free amount on the 1099R. However, OPM will not notify you the month that you have exhausted your tax-free contributions.

**NOTE:** NARFE's experienced Federal Benefits Service staff is available to answer questions from NARFE members via email, phone and postal mail. For additional Q&A, see your monthly issue of NARFE magazine.

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**LEGISLATIVE REPORT**  
**BY ELLEN RAFFERTY**

In her Call to Action, Legislative Chair Rafferty stated that, even though the payroll tax cut legislation was passed by compromise on Feb. 17 and forwarded on to the President for signature, the door was left open to further attack federal employees by (1) reducing the size of the federal taskforce; (2) continuing their pay freeze for a third year; (3) requiring them as well as Members of Congress to contribute 1.5% more to their federal pension accounts over the next 3 years; (4) eliminating a Social Security supplemental income program for those eligible to retire before age 62; (5) eliminating 2012 within-grade step increases; and (6)

changing retirement calculations on an average high-5 years instead of the current high-3 years. She also pointed out that federal retirees could be affected by (1) increasing the FEHBP premium from 28% to 40% over a 3-year period; (2) taking a half a percentage point in the cost of living raise; and/or (3) change the formula to determine the cost of living raises.

She stressed the continued importance of contacting our House representatives and Senators continually so that they will know we are here, not going anywhere, and our issues are important.

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**Your HealthCare Companion**

The APWU Health Plan is a nationwide PPO plan that works in conjunction with Medicare to offer our members comprehensive benefits and preventive care. With two versatile options, the APWU Health Plan has a plan that works for you. Call (800) 222-APWU or visit [www.apwuhp.com](http://www.apwuhp.com) for more information.

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**4 Expenses to Reduce After Retirement**

By JOE UDO

Once you leave your job, you may be able to get by on less money than you did while employed. There are many expenses associated with working that can be reduced or eliminated upon retirement. Here are four costs to cut after you retire:

**Housing.** The largest expense for many families is housing. Once you retire, you won't be tied down to a location anymore, and the possibility of [moving to a cheaper location](#) opens up. Even if moving is out of the question, there are ways to reduce your housing expenses. Most of us pay a professional to do yard work or other household repairs. Once you retire, you will have the time to do it yourself instead of hiring someone. It's easy to find an instructional video or article on the Internet or at the library. Improving your living space will also keep you from getting too bored in retirement.

**Transportation.** Perhaps the most obvious expense reduction in retirement is transportation. When you [stop driving to work](#), you will save a significant amount of money on gasoline. Don't forget to call your insurance agent to report your mileage reduction. They should be able to reduce your rate a little bit. If your family has multiple cars, perhaps you can sell one of them. This will cut out insurance, maintenance, and repair costs. Some people will be able to eliminate parking fees and car payments. You may also be able to do more maintenance

on the vehicle yourself instead of paying the car dealer for every little thing.

**Food.** Let's face it, cooking can be difficult when you work full time. By the time you get home, you are exhausted and it's easier to order takeout or eat frozen food. When you're retired, you can [learn to cook](#) your favorite cuisine and enjoy it at home with your family. Cooking at home is healthier and more economical. The only downside is that it can take a lot of time, but that's something you'll have in retirement. Along with food, you can prepare beverages at home instead of supporting Starbucks every day. Those \$3 drinks add up to real money in the long term.

**Health care.** Most financial advisers will tell you that the cost of health care will increase after you retire. This is true because as you get older, you'll need more health care. On the other hand, I think that some people may be able to reduce [health care expenses](#) for a few years at the beginning of retirement. You'll have more time to relax, and all your accumulated job-related stress will be gone. If you work in an office, I'm sure you have some kind of backache or other repetitive stress injuries. I spent quite a bit of money on massages, physical therapy, acupuncture, and chiropractor adjustments. All these helped me feel better in the short term, but the problems always returned. Working in front of a computer for eight to ten hours per day will do that to anybody.

Once you retire, you won't be sitting in a chair all day anymore, and some of the problems may disappear on their own. You can also get out and exercise more. All these factors could add up to lower [health care bills](#) in the short term.

When we are working full time, we never have enough time to do everything, so we tend to spend money on conveniences. With more time and less income, we need to reverse that habit. Instead of paying someone else to do things for us, it's much more economical to spend the time to do it ourselves.

*Joe Udo is planning an exit strategy from his corporate job by reducing expenses and increasing passive income. He blogs about his journey to early retirement at [Retire by 40](#).*

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