

# S.O.S. NEWSLETTER

## SERVICE OFFICERS FOR SERVICE

SERVICE OFFICER NEWSLETTER

SEPTEMBER – DECEMBER 2001

It appears from the comments and telephone calls that this newsletter is helping Service Officers answer questions regarding retiree benefits and know where to find information. I hope the benefits of this newsletter idea will continue. In this issue I will attempt to update information previously provided in

the Green Book. I also have some information regarding how to get involved with agency pre-retirement seminars. The government is talking about more base closures and we need to be ready to make presentations at pre-retirement seminars. Work is still needed in the area of records maintenance of retiree's

and there is still much more to do in the area of membership of "active" federal employees. Service Officers can be a good source for contacting current employees to join NARFE.

**Mary E. Venerable**  
Chair, Service Committee & Editor

### FEDERATION OFFICERS

President – Lea D. Zajac  
Exec. VP – Kenneth Boffin  
Secretary – Carol Ostergren  
Treasurer – Richard C. Ostergren  
Immediate Past President –  
Forney A. Lundy

### District Vice President's

Dist. I - Josephine Murphy  
Dist. II - Mabel B. Burton  
Dist. III - Vaudis Pennell  
Dist. IV - Polly Stonich  
Dist. V - Michael R. Pringle, LTC (Ret)  
Dist. VI - John M. Ellis  
Dist. VII - Helen L. Zajac  
Dist. VIII – Earl J. Wilson  
Dist. IX - William A. Gould  
Dist. X - H. Ray Harrington

### SERVICE COMMITTEE MEMBERS

Chair – Mary E. Venerable – #1662  
(909) 674-3471 – [maryv65@juno.com](mailto:maryv65@juno.com)  
Vice Chair – William A. Gould, #2208  
(559)683-5064 - [martin@sierratel.com](mailto:martin@sierratel.com)  
Dist. I - Bertram Zucker, #1689 –  
(949) 587-9096 - [Bertzucker@hotmail.com](mailto:Bertzucker@hotmail.com)  
Dist II. - Charlie Mattis, #2373 (310)  
515-3830 - [Oldpro998@aol.com](mailto:Oldpro998@aol.com)

Dist III. - Mary Venerable - #1662  
(909) 674-3471 - [maryv65@juno.com](mailto:maryv65@juno.com)  
Dist IV. - Catherine L. Morris, #0531  
(925)935-5477 – [Cthymorris@aol.com](mailto:Cthymorris@aol.com)  
Dist. V. – Samuel L. Gale, #0579 (831)  
394-4520 - [samuelg@aol.com](mailto:samuelg@aol.com)  
Dist. VII. - Sammy Brick, #0903 (707)  
448-3695, - [ZoeDoggy@aol.com](mailto:ZoeDoggy@aol.com)  
Dist. IX. - Darryl C. Mueller, #1306  
(209) 741-1755, - [Dmuel21627@aol.com](mailto:Dmuel21627@aol.com)  
Dist. X. - Chester H. Olson  
(530) 527-8035, - [Amcho@aol.com](mailto:Amcho@aol.com)

### NARFE SERVICE CENTERS IN STATE OF CALIFORNIA

#035 – 2105 Carrere St., Bakersfield, Ca.  
(805) 399-5048 – Leo Lawrence – By appointment  
# 8 – McClellan A.F.B., Bldg. 338, Suite 10,  
Sacramento (916)643-2746 or 1154 – Robert Johnson. Mon. & Thurs. 8 a.m. to Noon  
#1 – Highland Senior Center, 3102 E. Highland Ave., (909) 862-8104 – Vaudis Pennell - Tues. 9-Noon; Thurs. by appt.  
#21 – Elderhelp of San Diego, 4069 30<sup>th</sup> St., San Diego, (619) 274-3786 – Harry Karpinski – Thurs. 9 a.m. to 12 Noon.  
#42 – Santa Rosa Senior Center, 704 Bennett Valley Rd., Santa Rosa, (707)545-8608 - Vernon Rood - 1<sup>st</sup> Mon ea. Mo. – 1 p.m. to 3 p.m. (except holidays)

#145 – Naval Air Weapons Station, China Lake – Rm. 8, Safety & Security Blvd.  
(760)939-0978 – Theresa Gonzales – Mon – Fri. 9-11 a.m. & 1-3 p.m.  
#4 – Mare Island Naval Shipyard, Bldg 535, 2<sup>nd</sup> Floor, Vallejo, Ca. (707) 562-3179 Everett Crockett, - Mon. & Wed. (except last Mon. of mo. – 12 Noon to 4 p.m.  
#171 – Residence of Katie Karikka, 167 S. Los Osos Valley Road, Sp. 163, Los Osos (805) 528-2422 – Questions & Service by phone.  
#183 – Residence of Emile Lapointe, 204 E. Fiesta Green, Port Hueneme, (805) 984-3341 Questions & Service by phone.  
#149 – Antelope Valley Senior Center, Norma Keipe, Lancaster (805)949-9625  
#12 - Oceanside Senior Center, 455 Country Club Lane, Oceanside - 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 – 1<sup>st</sup> & 3<sup>rd</sup> Tuesday – 1 p.m. to 5 p.m.  
#281 – Napa County, Rocky Sheridan -----

*Volunteers are needed at the Service Centers in your area. Why not contact The Service Officers at the location and volunteer for a few hours to help others!*

## CHANGES FOR "GREEN BOOK"

The basic information in the Green Book has not changed with the exception of that information that is tied to the annual COLA and annual changes to Social Security provisions.

Changes referred to in this section are also included in the December 2001 of Retirement Life issue on pages 19 and 20.

Service Officers are requested to make pen and ink changes to the following pages of the Green Book:

**Page 17**, CSRS COLA will be 2.6% effective December 1. (Note information on page 18 for FERS COLA stays the same).

In Social Security Section – Change the following pages:

**Page 2**, under Section identified as "Qualifying for Social Security – for quarters needed to qualify - Add under year – 2002 \$870 earnings for one quarter of credit or \$3480 of earnings for four quarters of credit in one year.

**On page 8** – add 2002 to Indexing Factor table and under "Max Tax Amount" add \$84,900 with Index Factor as 1.00.

**On page 14** – Change Earnings Limitations as follows:

### 2002 Earnings Limitation

Under Age 65 . . . . .	\$11,280
Age 65-69 . . . . .	No limit
Age 70 & older . . . . .	No limit

All other information on page 14 applies.

**Note:** The retirement earnings test was eliminated for individuals age 65+, as of January 2000. It remains in effect for age 62 through 64. The modified test applies for the year an individual reaches age 65.

**On page 16** – Medicare Part B Cost – add \$54.00 for 2002. (Note: The 10% penalty charged for late Medicare enrollment is still in effect)

---

---

## HEALTH INSURANCE

By now, retirees should have completed action to insure continuation of their Health Insurance or have made changes effective January 1, 2002. It should be noted that those with Blue Cross Blue Shield who did not elect Basic Option were automatically enrolled in the new Blue Cross Blue Shield Standard Option coverage.

I understand that a thorough review of the differences between the Basic and the

Standard Option should be made. Although higher compared to Basic Options, which is less expensive. Make sure you have the coverage needed without regard to the cost – *there could be loss of some benefits previously enjoyed*. If members find they made a mistake in enrollment, they should notify OPM immediately.

Members should also be encouraged to use mail order procedures for prescriptions for better rates. Remember, if your doctor recommends (and stands by a brand name – non generic medicine) for whatever reason, you must obtain a certification from the doctor to justify the lesser charge. **This applies to any health plan!**

**Also remind your members that their health plan should "NEVER" be cancelled. Plans can only be "SUSPENDED" with the possibility of re-enrolling in an FEHBP during the next Open Season.**

---

---

## TRICARE FOR LIFE FOR MILITARY RETIREES

Service Officers should be aware of the new program entitled: "Tricare for Life" which became effective on October 1, 2001 for military-eligible uniformed service retirees, including retired guard and reservists; Medicare-eligible family members, including widows/widowers; and certain former spouses if they were eligible for TRICARE before age 65. Medicare eligible refers to reaching age 65 and purchasing Medicare Part B (\$54). Tricare for Life program replaced the old CHAMPUS program and supplements Medicare Part B benefits for military retirees at NO COST to the enrolled military member. During the recent Open Season, military retirees were given the opportunity to "suspend" their health plan under the Federal Employee Health Benefits Program (FEHBP) and enroll in Tricare for Life. If those who suspend their FEHBP enrollment later change their mind, they can rejoin FEHBP during future FEHBP Open Season.

In this plan, Medicare would be the primary payer and Tricare for Life would be the secondary payer. .

---

---

## FEGLI – FEDERAL EMPLOYEE'S GROUP LIFE INSURANCE

There have been a number of questions about the current value of life insurance. On page 54 of the "Green Book", reference is made to the

reductions that occur to the Life Insurance value upon reaching age 65. Many individuals have forgotten about this reduction and want to know what the "current value" of their FEGLI is. You can advise them if they have Internet capability to sign on at [www.opm.gov/insure/life/](http://www.opm.gov/insure/life/) or call 1-888-767-6738. and request the current value of their life insurance. Individuals should be reminded however, that they must have their **CSA number** and their **Personal Identification number (PIN)** to get into the system for this information. Many people do not know or remember their PIN. In many cases the PIN is the last 4 digits of their Social Security No. Several years ago every retiree received a PIN in a notification letter from OPM. If members do not remember their PIN they should be advised to call 1-888-767-6738 or write to OPM, P. O. Box 45, Boyers, PA. 16017 of take action via e-mail at [retire@opm.gov](mailto:retire@opm.gov). (See next article regarding FEGLI Designation of Beneficiary forms)

---

---

## DESIGNATION OF BENEFICIARY FORMS

There are Designation of Beneficiary Forms for CSRS Retirement – **Form SF-2808** and for FERS Retirement– **Form SF-3102**. These beneficiary forms are appropriate for retirement matters related to lump sum payment in the case of the death of an annuitant with **no** surviving spouse. If there is a surviving spouse, the spouse will be entitled to no lump sum payment of retirement but will be entitled to receive survivor benefits.

SO's are reminded that all retiree's retirement contributions are used up in approximately Three years after retirement through monthly annuity payments. Therefore there are no lump sum benefits payable to children or designated beneficiaries.

There is also a **Designation of Beneficiary Form – SF-2823** for Federal Employees Group Life Insurance. This form is for both CSRS and FERS retirees. It is important that these beneficiary forms be kept up to date.

It should also be noted that a FEGLI Designation of Beneficiary form could include your "Living Trust" as the beneficiary.

Keeping this form current is especially important after the death of a spouse of an annuitant **NOT** after the death of the annuitant. If the spouse predeceases the annuitant, a new form must be prepared and filed with OPM

to insure payment to children, relatives or friends whom the annuitant wants to receive the proceeds from his/her insurance. If the annuitant passes first, the surviving spouse will be entitled to receive payment of the life insurance in a lump sum unless the annuitant previously designated otherwise..

---

---

## OPPORTUNITY FOR SERVICES OFFICERS TO INCREASE MEMBERSHIP

Service Officers are in a good position if they take advantage of the opportunity to participate in an agency's pre-retirement seminar or health fair.

I recently had the great opportunity to be invited, by our local Blue Cross Blue Shield representative, to a "Health Fair" in a hotel in the local area. She invited representatives from all Federal agencies in the Inland Valley area and gave a number of federal representatives from each federal health plan and opportunity to speak and distribute information about their health plan. There were approximately 40 personnelists attending this annual gathering.

I was given 15 minutes at the end of the program to tell them about NARFE. Fortunately, I attended the Membership seminar in Laughlin, Nv. in October hosted by Raymond Richetti, Regional VIII Field VP. (This was a great seminar!) I took the advice of Ken Boffin in his presentation regarding subjects to cover during pre-retirement seminars or other such opportunities with "Active" federal employees. I told attendees about NARFE, what they could find in the monthly Retirement Life Magazine and used the information in pamphlet F-101 "A brief History of the NARFE" to give them a brief history of NARFE as well as NARFE's accomplishments. **Service Officers are encouraged to order a supply of F-101 pamphlets and Pre-retirement Packets.**

This was a great opportunity to convince attendees of the importance in belonging to NARFE years before they retire. **(Most were personnelist involved with matters related to health insurance and other personnel matters These are the people we need to contact to convince them of the importance in joining NARFE – especially during the NEW membership drive for Active federal employees).**

After my presentation I asked attendees to give me their names and agency address so that I

could send them a pre-retirement packet. Ken's idea worked! because 25 of the attendees gave me the information I needed. Later, I was able to send them a packet which included "Retirement Life" magazine and a new application form. Of course I placed my recruiter number and Chapter number on the membership applications. In a letter to each, I offered more packets and my services for their pre-retirement seminars and health fairs and thanked them for the opportunity to visit with them at the meeting.

Feedback from the BCBS Representative was good because many expressed appreciation in getting information about NARFE that they were not aware of. I have since received a request to participate in a pre-retirement seminar in 2002 and requests for more packets. **Note: NARFE will send pre-retirement packets directly to the agency if you provide them with the date needed.**

Service Officers are also encourage to order copies of **F-100, Important Facts you Need to Know Before and After you Retire.** This is an excellent publication that answers important questions and includes Form F-76 – Guide for Annuitant and Survivor Benefits. This was referred to in an earlier SOS Newsletter. This form can be used as a handout at a monthly meeting presentation to your members.

---

---

## Social Security Windfall Elimination Act (WEP)

The Windfall Elimination Act came about as a result of the Social Security Administrations (SSA) amendments in 1983. The amendment included a provision that eliminated the "windfall" Social Security benefits for retired and disabled workers receiving pensions from employment not covered by Social Security. *Over 356,000 retired federal, state and the provisions of the WEP since 1985 have affected local government employees who receive an annuity or pension from a job not covered by Social Security and there will be thousands more in the future.* The Act became effective on January 1, 1986.

The Government Pension Offset and the Windfall Elimination Provision (WEP) are often confused. GPO was discussed in the September November 2001 Issue of the SOS Newsletter. As indicated, GPO causes an offset of Social Security spousal benefits (wife, husband, widow, widower). The WEP is **NOT** an offset, it is a **reduction** of one's **own** Social Security benefit. The reduction is caused by

the use of a different computation formula when figuring the Social Security benefit for government retirees.

Information about the Windfall Elimination Act can be found in the Social Security Section on **pages 17 and 18 in the Green Book.**

Before going into the details of this provision, an understanding of some terms is important.

The terms are:

**Non-covered employment** - refers to employment that was not covered with Social Security deductions (example CSRS).

**Weighted benefit formula** - a percentage developed to benefit workers with low earnings over their entire lifetime.

**Substantial earnings** – refers to the dollar amount a worker must earn in a year for it to be counted in the years of employment. (See examples of Substantial Earnings below).

**Worker** - This is the term used by SSA in referring to the individual who worked under Social Security and qualified for SSA with 40 quarters of earnings.

Prior to the passage of the Windfall amendment, the replacement factor used in computing SSA benefits was 90%. After the amendment passed in 1983, the replacement factor began phasing in over the next five years. Thus in 1986 the factor reduced to 80% and each year thereafter by 10% until in 1990 the replacement factor reduced to 40%.

The Windfall elimination provision **did not** completely wipe out an individual's earned right to a Social Security benefit. It did, however, result in a lower benefits for both the worker and the spouse if SSA benefits are payable after 1986.

There were numbers of workers whose benefits were excluded from the Windfall Elimination provisions - Those not affected by the provisions included:

- (1) People who reached Age 62 or became disabled before 1986, or who were first eligible to receive a pension based on non-covered employment before 1986. *(This applies to ALL workers – not just Federal employees who have both a pension from employment "not covered" by SSA but have sufficient other work under SSA).*
- (2) Federal workers who were mandatorily covered under Social
- (3) Security on January 1, 1984 *(These are the new FERS employees)*

**WEP (cont)**

(4) Workers who have 30 or more years of substantial earnings under Social Security. (See definition in SOS Newsletter for Sept.-Nov. 2001 )

(5) People whose only pension is based solely on railroad employment. And People whose only employment not covered by Social Security that resulted in a pension before 1957.

**Note: Information on this subject can also be found on page 142 of the Federal Employees Almanac.**

Another amendment to the Windfall provisions resulted in consideration to workers with less than 30 years of substantial earnings but more than 20 years. For example, the replacement factor changed to 85% for someone with 29 years, to 75% for someone with 27 years, 55% for someone with 23% to 40% for someone with 20 years of substantial employment covered under Social Security.

Things Service Officers should be aware of the reasons this act is identified as "Unfair" include:

- (1) Lack of consideration of the fact that the workers with the lowest SSA earnings suffer the greatest reductions, but no consideration is given to the fact that the worker's civil service earnings may also have been minimal.
- (2) In the private sector, a pension from an employer, no matter how large, does not cause the SSA benefits to be reduced. Just because a person chose to work for the government, long before the advent of the WEP formula, should not be a reason to reduce his/her earned Social Security benefits.
- (3) Federal employees under the CSRS system have always paid a higher contribution rate than private sector employees have paid into Social Security. These higher contributions should translate into more retirement income for federal retirees.
- (4) 97% of the employers in the private sector who provide pension plans do not require employee contributions. Therefore, federal annuities include a much higher portion of a retiree's personal contributions than do pensions in the private sector.
- (5) Income replacement rates for civil service retirees are lower than in the private sector. And
- (6) Inequities in the taxation of retirement benefits exist. Federal annuitants pay tax on their income from the first dollar, while Social Security benefits are tax-exempt unless the \$25,000 or \$32,000 thresholds are exceeded.

Action to change the law, or to repeal the WEP was first introduced by Rep. Barney Frank (D-Ma) in the 105<sup>th</sup> Congress. The bill has been delayed over the years but in 2000-2001 was making some headway until September 11<sup>th</sup>. We will now have to wait. Service Officers should encourage members to write to their Congressional representative(s) and Senators to convince them of the inequity of the WEP law and get their support for the repeal of the WEP when it is again introduced to its members.

**NARFE SERVICE OFFICER FOR SERVICE (SOS)  
NEWSLETTER**

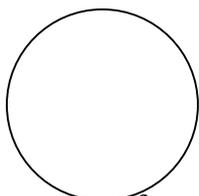
20400 3<sup>rd</sup> Street, Lake Elsinore, CA 92532  
Published by NARFE Service Committee Chair

**Postage**

Phone: (909) 674-3471  
FAX: (909) 245-4041  
E-Mail: [Maryv65@juno.com](mailto:Maryv65@juno.com)

**TO:**

**Service is Our  
Federal Personnel  
Business**



**www.narfe.org**