

S.O.S. NEWSLETTER

“SERVICE OFFICERS FOR SERVICE”

SERVICE OFFICER NEWSLETTER

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EDITORS MESSAGE

We have reached a time for a number of decisions that must be made. A discussion regarding these decisions is included in this newsletter with the hope that the information will clear up your decision regarding Part D Prescription Plan, Open Season for your Health Plan and the possibility of signing up for Medicare, Part A and B.

It is important that each of you make decisions at the required sign up period. You should read all of the information you receive and then make a timely decision. This will be the last Newsletter for the 2005 year. If you have information you would like included in the Newsletters for 2006, let me know. Don't forget to look at previous Newsletters on the Federations website.

Mary Venerable, Chair, Service Committee

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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 Kehoe. Mon. & Thurs. 9 a.m. to Noon. Robert Johnson (916) 635-4576.
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 Rood, 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)299-4207 – Charles (Chuck) Hedrick – By appointment.

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@oco.net

WEBSITES OF INTEREST

Issues of all SOS Newsletter are available on line through NARFE California Federation Web Site - http://csfncarfe.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

COLA FOR 2006

The cost of living adjustment for 2006 will be highest in fifteen years. The next COLA for millions retired and disabled Americans will be 4.1%. Social Security beneficiaries, as well as most civil service annuitants, Foreign Service and military retirees will be among those receiving the adjustment in their January 2006 checks. Federal Employees Retirement System (FERS) annuitants age 62 and over, as well as FERS survivors and disability retirees, will receive a full Social Security COLA, but the adjustment in their FERS annuity will be 3.1 % COLA. FERS retirees under age 62 receive NO COLA.

MEDICARE PRESCRIPTION DRUG PROGRAM

By now everyone with Medicare should have received a 98 page booklet entitled "Medicare and You". This booklet explains to everyone who has Medicare what they must do as a result of passage of the Medicare Prescription Drug Program that is effective on January 1, 2006.

The good news for current Federal employees, retired Federal Employees, covered family members and those with TRICARE coverage is that those with Federal Employee Health Benefits (FEHBP), Veterans Benefits and TRICARE Military Benefits will not have to worry about signing up for the PART D because they have coverage under their health plan.

These individuals will receive additional information during the Open Season period (November 14 through November 30, 2005).

Unfortunately, PART D coverage is confusing for many others because there is so much information and so many different plans.

To understand the problem, I believe that individuals need to understand why PART D? In the past, Medicare coverage included PART A for Hospital and PART B for Doctor and medical coverage. (This was identified as the Original Medicare Plan) It did not include prescriptions coverage so, supplemental coverage or Medicare sponsored health plans had to be used to insure coverage for prescriptions.

As a result of the need, PART D, Medicare Prescription Drug Plan was passed effective January 1, 2006. This program is insurance that covers both brand-name and generic prescription drugs at participating pharmacies in your area. There will also be extra help for people with limited income and resources.

In the publication, Medicare and You on pages 94 A – 94 L, you will find all of the available California Plans. Included is information about the monthly premiums for some plans and co-payment charges. You should also be aware of "deductible" in some plans. The monthly premium for the drug plan will vary depending on the plan you choose, but it is estimated that the cost will be about \$37 per month for some plans and will be in addition to the PART B premium of \$88.50 in 2006. (See page 53).

Finally, individuals reviewing the booklet should note the information about Important Dates for Medicare Prescription Drug Coverage. (See pages 64-65). For example, November 15th is indicated as the first day to join a plan; January 1, 2006 begins coverage for those who join by December 31, 2005; and May 15, 2006 is listed as the last day to join a plan offering prescription drug coverage

Note: On page 40 of the booklet, there is reference to a penalty for those who wait until after November 15, 2006. Read information for penalty details.

If, after reading the 98 pages of the booklet, you are still confused you can call, 1-800-Medicare or go to the website, www. medicare.gov.

OPEN SEASON

The Federal Employees Health Benefits Program Open Season period begins on November 14 through November 30, 2005. Changes made during the Open Season will be effective on January 1, 2006. A reminder for all who change from a FEHBP plan to a Medicare sponsored health plan to "SUSPEND" their enrollment with the FEHBP and should notify OPM of the change after being accepted by the Medicare sponsored health plan.

DEATH BENEFITS

A number of questions have been raised regarding death benefits for Survivors, how they are calculated and conditions for eligibility.

Under CSRS the spousal survivor annuity is 55% of an annuity computed as if the employee had retired on a disability retirement as of the date of death.

A spouse receives 55% of the HIGHER of 1 or 2 below:

- 1. An annuity computed under the general formula based on the deceased employee's high-3 average salary and length of service to date of death, including credit for unused sick leave.
2. A "guaranteed minimum" which is the LESSER of:
a. 40% of the deceased employee's high-3 average salary; (note that 40% is equivalent to 21 years and 11 months)
Or

b. The regular annuity obtained after increasing the deceased employee's length of service by the period of time between the date of death and the date he or she would have been age 60.

Under Law Enforcement Officer (LEO) or Firefighter (FF) provision:

1. If, at the date of death, the employee:

- Was Age 50 or older: and
- Had at least 20 years of LEO or FF service, the spouse receives 55% of an annuity computed under the special formula based on the deceased employee's high-3 average salary and length of service to date of death, including credit for unused sick leave.

2. If, at the date of death, the employee did not meet the age and/or service requirements stated above, the spousal survivor annuity is computed under the regular formula, namely, the high-3 average salary and length of service to date of death, including credit for unused sick leave.

Under Air Traffic Controllers (ATC) provisions:

1. If, at the date of death, the employee:

- Was age 50 or older and had at least 20 years of service as an Air Traffic Controller, or
- Had at least 25 years of Air Traffic Controller service, regardless of age, the spouse receives 55% of an annuity computed under the special formula for Air Traffic Controllers based on the deceased employee's high-3 average salary and length of service to date of death, including credit for unused sick leave.

2. If, at the date of death, the employee does not meet the age and/or service requirements as stated in 1 above, the spousal survivor annuity is computed under the regular formula described in 2 above.

Under FERS provisions:

The basic employee death benefit under FERS is payable to a spouse of a deceased employee who meets certain eligibility requirements at the date of death. The deceased employee must have:

- Completed at least 18 months of creditable civilian service; and
- Died while subject to FERS deductions.

The basic employee death benefit is:

1. \$15,000 (increased by COLA's beginning on December 1, 1987 plus
2. 50% of the employee's final salary (or high-3 average salary if higher).

Note: *There are more details and conditions for FER's surviving spouse of Law Enforcement, Firefighters, and Air Traffic Controllers to receive death benefits (which are similar to CSRS benefits), and can be found at www.OPM.gov in Chapter 70 of the OPM regulations.*

OWCP DEATH BENEFITS – The provisions regarding death benefits of an individual receiving compensation benefits under the Department of Workers' Compensation Program (OWCP) under the Federal Employees' Compensation Act (FECA) are detailed and a little complex. Therefore, explanations of death benefits will be limited to a brief summary of benefits. More Information can be found in the OPM regulations in Chapter 70 under OWCP Death Benefits.

First of all, a monthly compensation payment equal to a percentage of the monthly pay of the employee or annuitant is payable to:

- A widow or widower, if there are no children, at the rate of 50% of the deceased employee's salary.
- A widow or widower, with child(ren), 45% and an additional 15% for each child not to exceed a total of 75% payment to widow or widower.
- Children, if there is no widow or widower, 40% for each child and 15%

each additional child not to exceed a total 75% . . .

Compensation is payable from date of death of the employee until:

- A widow or Widower remarries prior to age 55 or dies.
- A child marries or becomes 18 years old (exception: if 18 and a full-time student beyond high school or if incapable of self-support due to physical or mental condition, benefits continue).

- Compensation payments may not be reinstated if marriage ends.

When an employee's death results from injuries sustained while performing official duty, a payment of up to \$800 for funeral and burial expenses is authorized. . . . **The FECA prohibits payment of compensation and survivor annuity at the same time.**

This prohibition does not, however, prevent an individual from filing for both benefits. If both benefits are approved, the rules prohibiting dual benefits apply. If the surviving spouse and/or children of an individual who died as a result of a **job-related disease or injury** are eligible for both death compensation benefits from OWCP and CSRS or FERS survivor benefits, the survivor must elect which of the two benefits he or she wishes to receive.

Most survivors will choose compensation benefits instead of a survivor annuity because compensation normally pays a higher amount. (There is more information in the section that pertains to the choice of benefits – all of which would be explained by OWCP.)

A key point is to read everything and make timely responses.

CSRS benefits are payable under certain circumstances where compensation benefits **ARE NOT** payable. For instance, CSRS benefits may be payable to a former spouse if a court order awarded them, but compensation is not payable to a former spouse. . . . A survivor eligible for both a CSRS survivor annuity and death compensation benefits from OWCP, whose compensation is

suspended because he or she has received financial settlement from a third party directly responsible for the employee's death, may, since he or she is not in receipt of compensation, be paid a survivor annuity during the suspension period. Therefore, a survivor should postpone filing for a CSRS lump sum if he or she expects to file suit against a third party.

Service Officer who receive questions on any of the above topics should thoroughly review the material and when in doubt call/FAX or e-mail the Service Committee Chair. FAX (951) 940-0323 or e-mail maryvnarfe@earthlink.net - maryv65@earthlink.net

MEDICARE HELPS PAY AMBULANCE SERVICES

Medicare pays ambulance transportation only when it is both reasonable and necessary. If your condition is such that moving you by other means could result in harm to your health, then Medicare may pay for the ambulance transportation to the nearest facility that can help you with your emergency situation.

If the result of a 911 call is transportation to a hospital, Medicare will consider the ambulance transportation as reasonable and necessary emergency service.

However, if you call 911 and **you** receive only paramedic services and **you** are not taken to a hospital, Medicare will not cover the ambulance services and you will be responsible to pay for the services provided by paramedics.

Article from HICAP Recap (3/05)

CSA vs. CSF NUMBER

CSA are the initials before your Civil Service Annuity number

CSF are the initial before the Surviving Spouses Annuity number.

AUTOMATIC RESPONSE FROM OPM

Service Officers who notify OPM via e-mail (retire@opm.gov) of the death of annuitant or Surviving Spouse or questions from Annuitant will normally receive an automatic response confirming the receipt of the e-mail message. The response from OPM will indicate an expected answer within the next 5 to 7 business days. It also notes that if the matter is more complex, it may increase the response time.

The above is being mentioned only because Service Officer's may need to follow up on the notification. OPM is getting better but there are occasions for follow up.

The information is also being included to remind Service Officers that the Internet can be use for on-line OPM Services for such things as:

- Starting or changing the direct deposit of their payment
- Changing mailing address
- Starting, changing, or stopping Federal and State tax withholdings
- Requesting a duplicate 1099R
- Starting, changing or stopping a checking or savings allotment
- Viewing or printing a copy of your annuity statement which may be used as verification of annuity, or
- Changing your Personal Identification number (PIN) for accessing OPM's automated systems.

The website can be used for inquiries for benefits under CSRS, FERS, or FERS Special. Remember if you do not remember your PIN number you can request a new one by contacting OPM at (888) 676-6738 or e-mail your request to retire@opm.gov. **Be sure to indicate on the subject line "PIN request" to expedite the request.**

IRS INCREASES MILEAGE RATE UNTIL DECEMBER 31, 2005

In September 2005, IRS announced an increase to the optional standard mileage rates for the final four months

of 2005. The rate increased to **48.5** cents a mile for all business miles driven between September 1, and December 31, 2005. This increase was in response to the gas price increases.

This information is being included for Income Tax information and because even though a prediction of a decline in gas prices, 2006 rate could be the same or lower. *Look for the news.* It should be noted that the increase in the business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of the extra burden of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage.

The new rate for computing deductible medical or moving expenses will be 22 cents a mile, up from 15 cents for the first eight months of 2005. The rate for providing services for charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile.

FERS INFORMATION

Hopefully, all Service Officers have read pages 23-25 in the November 2005 Retirement Life. It has a complete discussion about the FERS Annuities and how they are computed. Service Officers should pay close attention to discussion and examples on page 24 regarding the Special Retirement Supplement.

This information is another reason why current federal employees should belong to NARFE.

**HAPPY THANKSGIVING
AND
HAPPY HOLIDAY AND
HAPPY NEW YEAR.**