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COVER STORY

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On the Web

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The Beauty in the Beast

For almost a hundred years it lay dormant. Silently building strength. At 10,000 feet high, it was truly a sleeping giant, a vision of peaceful power. Until everything changed in one cataclysmic moment. On May 18, 1980, the once-sleeping beast awoke with violent force and revealed its greatest secret.

It was one of nature’s most impressive displays of power. Mount St. Helens erupted, sending a column of ash and smoke 80,000 feet into the atmosphere. From that chaos, something beautiful emerged… our spectacular Helenite Necklace. Produced from the heated volcanic rock dust of Mount St. Helens, this brilliant green creation has captured the attention of jewelry designers worldwide. Today you can wear this 6½-carat stunner for the exclusive price of only $129!

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Your satisfaction is guaranteed. Bring home the Helenite Necklace and see for yourself. If you are not completely blown away by the rare beauty of this exceptional stone, simply return the necklace within 30 days for a full refund of your purchase price.

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Through an email poll of members last year, we confirmed what we knew from past surveys: The two content areas that you value the most are our legislative coverage and our “Questions & Answers” section. Now called “Washington Watch,” our legislative department is still at the front of the magazine, and, because of its importance, we moved our Q&A section forward.

In our longer feature articles, we will be incorporating the stories of federal employees and retirees, bringing a face to the effects of legislative and benefits changes, as well as topics of importance to our federal family. Whether you are an active federal employee or already retired, there is a lot to learn from this month’s cover story on how agencies are using the authority to rehire federal annuitants without salary offset.

Our preview of the 113th Congress warns of the challenges we will face on Capitol Hill.

We hope that you will find the “new” narfe magazine thought-provoking and informative. It is a valuable benefit of membership – a benefit that we wanted to enhance for our current and prospective members.

NARFE can boast of other accomplishments in 2012, including a number of legislative successes. NARFE helped defeat an amendment that would have expanded the two-year federal employee pay freeze to include merit.awarded step increases; our advocacy brought about the phased retirement option; and we helped defeat an amendment that would have removed postal retirees from the Federal Employees Health Benefits Program (FEHBP). Had this passed, it would have resulted in increased premiums for all FEHBP participants.

Last year, we also redesigned the NARFE website, and developed the Online Activities Module for chapter and federation leaders. Membership in the new eNARFE chapters has increased dramatically, helping to boost our membership roster.

We know that we must be vigilant as we prepare for the 113th Congress. Please make a New Year’s resolution to help promote NARFE’s legislative agenda at the grass-roots level and recruit new members. Numbers give us more clout on Capitol Hill, and we know we will have to wield that clout in the year ahead.

NARFE’S Mission Statement

To support legislation beneficial to current and potential federal annuitants and to oppose legislation contrary to their interests.

To promote the general welfare of current and potential federal annuitants by advising them with respect to their rights under retirement laws and regulations.

To cooperate with other organizations and associations in furtherance of these general objectives.
U.S. GOV'T GOLD AT-COST

TODAY - U.S. Money Reserve has scheduled what could be the final release of U.S. Gov't-Issued $5 Gold Coins previously held at the U.S. Mint at West Point. These Gov't-Issued Gold Coins are being released on a first-come, first-served basis for the incredible markup-free price of only $177.25 per coin. Please be advised: Our at-cost U.S. Gov't Gold inventory will be available at this special price while supplies last or for up to 30 days. Do not delay. Call a Sr. Gold Specialist today.

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$2,190 MemberPlus Price/Pair – $2,190 Service Benefit Plan hearing benefit (up to $2,500)

Appointments Must Be Scheduled Through TruHearing. MemberPlus Membership fee waived

* Savings compared to national average retail price. Survey completed January 2012. Price shown does not include cost of comprehensive hearing exam. Examination and testing for fitting of hearing aids is covered under the Service Benefit Plan. The Insured may need to submit for reimbursement. Service Benefit Plan members get the TruHearing MemberPlus membership fee waived through December 15, 2013. $108 is the regular yearly cost for the TruHearing MemberPlus membership. Must be a Service Benefit Plan member to access TruHearing MemberPlus discounted pricing. State and Local taxes and/or fees may apply.

§ The Service Benefit Plan will pay a hearing aid benefit up to $2,500 total every 3 calendar years for adults age 22 and over. Hearing aid benefits for Service Benefit Plan members up to age 22 is $2,500 every calendar year. (2013 benefit.) Do not rely on this communication piece alone for complete benefit information. All benefits are subject to the definitions, limitations, and exclusions in the Service Benefit Plan brochure.

The Blue365® Discount Program offers access to savings on items that you may purchase directly from independent vendors, which may be different from items that...
The Service Benefit Plan will pay a hearing aid benefit up to $2,500 total every 3 calendar years for adults age 22 and over. Hearing aid benefits for Service Benefit Plan members up to age 22 is $2,500 every calendar year. (2013 benefit.) Do not rely on this communication piece alone for complete benefit information. All benefits are subject to the definitions, limitations, and exclusions in the Service Benefit Plan brochure.

The Blue365® Discount Program offers access to savings on items that you may purchase directly from independent vendors, which may be different from items that are covered under your Service Benefit Plan policy or any other applicable federal healthcare program. For hearing aids, acupuncture, chiropractic and vision services, you must exhaust your Service Benefit Plan benefits first. To find out what is covered under your policy, contact the Service Benefit Plan. The products and services described herein are neither offered nor guaranteed under any local Blue company’s contract with the Medicare program. In addition, they are not subject to the Medicare appeal process. Any disputes regarding these products and services are not subject to the Service Benefit Plan’s Disputed Claims process. Blue Cross and Blue Shield Association (BCBSA) may receive payments from Blue365 vendors. Neither the Service Benefit Plan, BCBSA, nor any local Blue company recommends, endorses, warrants or guarantees any specific Blue365 vendor or item. The Service Benefit Plan reserves the right to change, modify, or terminate any items and vendors made available through Blue365, at any time.

First, become a Service Benefit Plan member. Then, to take advantage of these savings enroll in TruHearing’s MemberPlus program for free online at TruHearing.com/enroll and use group number HP2R-A365. Then call (877) 360-2432 M-F, 8am - 8pm Central to schedule your hearing appointment. TruHearing is an independent company providing discounts on hearing aids. (a $108 value) through 12/31/2013.
The November 6 elections left the balance of power on Capitol Hill relatively intact. Republicans maintained their majority in the House of Representatives with 234 seats to Democrats’ 201, although Democrats posted a net gain of eight seats. In the Senate, the 53-47 Democratic majority in the 112th Congress grew to 55-45 (with Vermont’s Independent Sen. Bernard Sanders and Maine’s newly elected Independent Sen. Angus King caucusing with the Democrats).

Although there is no shift in party dominance in the Senate, the Committee on Homeland Security and Governmental Affairs will see new chairs for both the full committee and the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia. The full committee had been chaired by Sen. Joseph I. Lieberman, I-CT, and the subcommittee had been chaired by Sen. Daniel K. Akaka, D-HI, both of whom retired after the 112th Congress.

There is speculation that newly re-elected Sen. Thomas R. Carper, D-DE, will head the full committee because the next in line in seniority is Sen. Carl Levin, D-MI, who chaired the Armed Services Committee in the last Congress and is likely to stay there.

On the House side, Rep. Darrell Issa, R-CA, is expected to remain chair of the House Oversight and Government Reform Committee. The committee will see new members as a result of retirements and defeated incumbents. Decisions on committee membership in both the House and the Senate will not be made until the new Congress convenes and, even then, likely not until after President Obama is sworn in for a second term on January 20.

—By Alan Lopatin, Legislative Counsel

As the 113th Congress convenes this month, particularly important to active and retired federal employees will be the new leadership and membership of the House and Senate Committees with jurisdiction over civil service pay, benefits and work conditions.

NEW LEADERSHIP FOR KEY CONGRESSIONAL COMMITTEES

SPECIAL SECTION: NARFE’S PRIORITIES

NARFE’s Legislative Program for the 113th Congress appears on pp. 33-37 in this issue. See the Association’s positions on preserving and enhancing benefits, and on other key issues.
WHEN THE 112TH CONGRESS adjourned in December, it did so “sine die,” a Latin phrase meaning “without day.” With sine die adjournment, bills that did not pass in the 112th Congress expire; they are not carried over to the next Congress.

To be considered in the 113th Congress, these bills will have to be reintroduced. An example is NARFE-supported legislation that would repeal the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). In the 112th Congress, these bills were H.R. 1332 in the House and S. 2010 in the Senate. When these bills are introduced in the 113th Congress, they will have different numbers.

As bills are introduced that are of interest to NARFE members, narfe magazine will reinstate its NARFE Bill Tracker grid. In addition to following the progress of bills using the Tracker, NARFE members should be on the lookout for Action Alerts. Alerts may urge members to ask their members of Congress to cosponsor NARFE-supported bills or to vote for or against a pending measure. These Action Alerts will be sent via email to members of the NARFE Rapid Response Team.

To become a member of the NARFE Rapid Response Team, add your email address to your NARFE member record by going to www.narfe.org, logging in and clicking on “Update My Record,” or call 800-456-8410. The NARFE website, www.narfe.org, also will feature the latest information on legislation of interest to NARFE members. •

—BY JESSICA KLEMENT, COMMUNICATIONS AND LEGISLATIVE REPRESENTATIVE

OVER THE COURSE OF the 2011-12 congressional election cycle, NARFE members donated more than $900,000 to NARFE-PAC, the Association’s political action committee. In turn, NARFE-PAC contributed more than $600,000 to campaign committees, including $481,700 to individual candidates’ campaign committees and $120,000 to the four major congressional campaign committees – National Republican Campaign Committee, Democratic Congressional Campaign Committee, National Republican Senatorial Committee and Democratic Senatorial Campaign Committee. Donating to the national committees provides NARFE with valuable access and information.

While legally permissible, NARFE’s general funds do not cover NARFE-PAC’s administrative expenses, including the costs of fundraising, notably solicitation mailing costs. This expense and the necessity to retain some reserves to be used at the beginning of the next cycle explain the difference between money in from NARFE members and money out to candidates.

In total, NARFE-PAC contributed to 172 candidates, of whom 149 were elected and 23 were defeated. Look for updates on NARFE-PAC winners and losers on the Legislation section of the NARFE website, www.narfe.org.

Thank you to every NARFE member who contributed to NARFE-PAC this cycle! •
When the 113th Congress convenes, nearly 100 new members will be sworn in. In the House of Representatives, 86 “freshmen” will take office, including nine who have served before (from Arizona, Florida, Illinois, Minnesota, Nevada, New Hampshire, New York and Texas). Thirteen new senators will assume office, with newcomers representing the geographic span from Maine to Hawaii. There will now be a history-making 20 women in the Senate.

All NARFE members are encouraged to reacquaint themselves with returning senators and representatives, and get to know newly elected officeholders. Stress the critical importance of maintaining a talented civilian government workforce to meet the challenges of the nation, providing them competitive wages and benefits, and honoring the service of public servants who so selflessly give to their communities and the country. Be sure to tell the new and returning lawmakers what you are doing, or did, as a federal employee in service to our nation.

MARK YOUR CALENDARS

Key Congressional Dates

JANUARY 2 – Automatic cuts under sequestration go into effect without congressional action.

JANUARY 3 – Terms of members of the 113th Congress (2013-2014) begin. An exact date for the House and Senate to gavel into session and elect their officers had not been announced at press time.

SUNDAY, JANUARY 20 – President Barack Obama and Vice President Joe Biden will take the oath of office to begin their second term. The public events will occur on Monday, January 21.

LATE JANUARY – The two major political parties will meet for caucus retreats.

LATE JANUARY/EARLY FEBRUARY – The president will deliver his annual State of the Union Address. The address is usually delivered about January 20, but, in inaugural years, it is held a week or two later. For example, President George W. Bush’s 2005 State of the Union was delivered on February 2. The president’s budget submission is due to Congress the first Tuesday in February.

MARCH 9-12 – NARFE’s Legislative Training Conference takes place at the Renaissance Arlington (VA) Capital View Hotel.

MID-MARCH – Within six weeks of the president’s budget submission, congressional committees must submit their views and estimates to the House and Senate Budget Committees.

MARCH 27 – The continuing resolution funding the government for the first six months of fiscal year 2013 expires.

APRIL 15 – Congress’ deadline to complete a fiscal year 2014 budget resolution.

MAY 15 – The House may begin considering fiscal year 2014 appropriations bills even in the absence of a budget resolution.

JUNE 30 – The House completes action on its annual appropriations bills.

AUGUST – Congress recesses for the summer, usually adjourning the first week of August and returning following Labor Day.

OCTOBER 1 – Fiscal year 2014 begins.

Congress traditionally schedules week-long district work periods to correspond with the following holidays:

PRESIDENT’S DAY (FEBRUARY 18)

EASTER AND PASSOVER (EASTER IS MARCH 31; PASSOVER BEGINS ON MARCH 25)
“I found the conference most informative and educational,” said a participant in the 2011 conference. “I’ve been retired for almost two years, and had no idea there was so much concern and activity about my retirement money and my health insurance.”

The current congressional agenda threatens to have an impact on all NARFE members. Regardless of your level of knowledge of the legislative process or your experience in contacting Congress, the legislative training conference will help you to perfect and expand your skills. Topics will include how Congress works, how the federal budget impacts federal workers and retirees, and how the 113th Congress may affect the federal community.

From nationally renowned guest speakers, participants will find out what to expect from the new Congress. In training sessions conducted by NARFE staff and outside experts, participants will learn the correct way to communicate their viewpoints and the NARFE agenda to members of Congress. New this year: Interactive training will enable attendees to “role-play” their congressional meeting.

The conference is not tailored just for NARFE leaders or retirees. Active employees and retirees alike will take the fight for their benefits directly to Capitol Hill. At a “best practices” session, members will learn from other NARFE members. Also new this year, NARFE’s Legislative Department staff is offering to schedule Capitol Hill appointments for participants. State delegations can meet as a group before going to Capitol Hill on Tuesday, March 12.

NARFE invites all members to attend but particularly encourages participation from members who have never attended a legislative training conference in the past. First-time participants will provide a fresh perspective and new stories to tell.

The registration fee of $175 includes all materials, three full breakfasts, two full lunches, one full dinner, and transportation to and from Capitol Hill on Tuesday, March 12. The special room rate at the Renaissance Arlington Capital View Hotel will be $169, plus 10.25 percent state and local occupancy tax, for a total of $186.32 per day. There are only 300 spots, so do not wait until the last minute. To register for the conference, complete the online form at www.narfe.org. To make your hotel reservation, call the Renaissance Arlington Capital View Hotel at 800-228-9290. The deadline to register with NARFE and the hotel is February 5. Don’t delay!

—By Sarah Holstine, Legislative Specialist

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Are you concerned about your retirement benefits? Do you want to learn more about the changes some members of Congress want to make to your health insurance? Do you want to fight back against the misinformation about federal employees and retirees, and their benefits? The biennial NARFE Legislative Training Conference, March 9-12, at the Renaissance Arlington (VA) Capital View Hotel, will equip you with the information and tools to do just that.
The Middle Class Tax Relief and Job Creation Act of 2012 mandated the change. The increased employee retirement contributions were used to offset the cost of extending long-term unemployment benefits. They were part of a larger bill that also extended the payroll-tax holiday through 2012. NARFE opposed the federal employee provision.

In a second change required under the law, new members of Congress and congressional employees will accrue retirement benefits at the same rate as regular federal employees and will have their benefits computed under the general FERS formula, not the more generous FERS congressional calculation.

An employee subject to the new law is called a FERS Revised Annuity Employee (FERS-RAE). All new hires will be subject to FERS-RAE rules unless, on December 31, 2012, an individual was a federal employee or member of Congress covered by FERS or was performing other civilian service creditable or potentially creditable under FERS. Examples include individuals covered under the Civil Service Retirement System (CSRS); CSRS Offset; or the Foreign Service, Federal Reserve or CIA retirement systems. Individuals who are rehired by the federal government also will be subject to the FERS-RAE rules unless they had five years of previous federal civil service creditable or potentially creditable under FERS.

—BY FEDERAL BENEFITS SERVICE DEPARTMENT

**MYTH vs. REALITY**

**MYTH:** Public servants make more money than the taxpayers who pay their salaries.

**REALITY:** The federal workforce is unique, and many positions require specialized skills. However, a recent analysis of Bureau of Labor Statistics data found that federal employees are paid about 35 percent less than those in comparable private-sector jobs.

---

**NEW FEDS WILL CONTRIBUTE MORE TO RETIREMENT**

Individuals hired by the federal government after January 1 will pay 2.3 percent more toward their retirement with no increase in retirement benefits. The contribution rate for new regular employees will be 3.1 percent of salary; current feds under the Federal Employees Retirement System (FERS) pay .8 percent. The contribution rate for new employees in mandatory-retirement-age jobs with special retirement benefits – including law enforcement personnel, firefighters and air traffic controllers – will go from 1.3 percent to 3.6 percent.

The Middle Class Tax Relief and Job Creation Act of 2012 mandated the change. The increased employee retirement contributions were used to offset the cost of extending long-term unemployment benefits. They were part of a larger bill that also extended the payroll-tax holiday through 2012. NARFE opposed the federal employee provision.

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—BY FEDERAL BENEFITS SERVICE DEPARTMENT

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**Legislative Resources**

- Legislative Hotline: A weekly update of legislative news, compiled by the NARFE Legislative Department staff, distributed via email and available by phone (toll-free 877-217-8234) and at www.narfe.org.

- Legislative Action Center: A one-stop link to send a letter to Congress, and more, at www.narfe.org.
Travel with other NARFE Members in 2013!

**Best of Ireland Tour**
12 Days from $1598*

*Price per person, based on double occupancy. Airfare is extra. Alternate departure dates available May - September 2013. Seasonal rates may apply.

**Canadian Rockies Tour**
14 Days from $2058*

*Price per person, based on double occupancy. Airfare is extra. Alternate departure dates available June - September 2013. Seasonal rates may apply.

**Canadian Rockies Tour**
14 Days from $2058*

*Price per person, based on double occupancy. Airfare is extra. Alternate departure dates available June - September 2013. Seasonal rates may apply.

**Grand European Cruise**
18 Days from $1898*

*Price per person, based on double occupancy. Price based on inside cabin, upgrades available. Airfare is extra.

**National Parks Tour**
14 Days from $1458*

*Price per person, based on double occupancy. Airfare is extra. Alternate departure dates available June - September 2013. Seasonal rates may apply.

For reservations & details call 7 days a week:

1-800-736-7300
Everyone hopes that Congress and the administration can avoid such a situation. But if not, there are things you should know if you are affected. Here is what the Office of Personnel Management has published:

A furlough is defined as placing an employee in a temporary nonduty, nonpay status because of lack of work or funds, or other nondisciplinary reasons.

A shutdown furlough occurs when an agency no longer has the necessary funds to operate and must shut down those activities that are not excepted (or exempt) pursuant to the Antideficiency Act. Excepted employees can be those who, while funded through annual appropriations, are performing functions excepted under the law or those who are not affected because they are not paid by annual appropriated funds. Agencies will inform their employees whether they are excepted or nonexcepted employees.

Those employees who are furloughed may subsequently get paid during the furlough period if Congress decides to allow it. While on furlough, employees may not volunteer to do their jobs unless authorized by law; all paid leave is cancelled, but employees continue to be covered by their Federal Employees Health Benefits Program health plan.

It may be possible for a furloughed employee to be eligible for unemployment compensation, but the requirements vary from state to state. In general, the state in which the employee’s duty station is located will be the state that determines eligibility for unemployment insurance benefits.

ELIGIBILITY FOR COLA

Q I am an active federal employee under the Civil Service Retirement System (CSRS). If I retire on January 3, will I receive the full 1.7 percent cost-of-living adjustment (COLA) that CSRS retirees will receive in 2013?

A Retiring in January 2013 would not provide you with the 1.7 percent COLA that took effect December 1, 2012. You would get 11/12ths of...
the full COLA for 2014, if there were one.

Under the law, COLAs are prorated depending on the month in the calendar year in which you retire. CSRS annuitants who have been retired at least one year will receive the full COLA for 2013. Those who retired between January 1, 2012, and November 30, 2012, will receive a prorated COLA, 1/12th of the full increase for each month they received an annuity.

**DEDUCTIONS FROM INTERIM PAYMENTS**

**Q** I will be retiring this year. What is withheld from my interim payments from the Office of Personnel Management (OPM)?

**A** While your retirement case is being adjudicated by OPM, you will receive interim monthly payments. The gross amount of these payments will be roughly 70-80 percent of what your full retirement gross will be. The only deduction that will be withheld from your interim payments will be for federal income taxes. Once your retirement case is finalized, all of the deductions for health and life insurance premiums due since the effective date of your retirement will be withheld from your “adjustment check,” which pays the difference between the gross annuity you have been receiving and the gross annuity you should have been receiving.

**EMPLOYEES CAN’T SUSPEND FEHBP**

**Q** In a response to a question posed in a past issue of narfe magazine, you said that active federal employees may cancel their Federal Employees Health Benefits Program (FEHBP) coverage and obtain coverage under TRICARE. Our son was covered by TRICARE while in Iraq in 2007. He is employed by the Department of Veterans Affairs (VA). Upon his return to the VA, he continued with TRICARE. A couple of months later, he received a letter from TRICARE stating that, because he is employed by a federal agency offering health insurance under the FEHBP, he could no longer be insured by TRICARE. He then had to select a plan under the FEHBP.

**A** The individual who asked the earlier question wanted to know if an employee could suspend FEHBP coverage in order to be covered under TRICARE. The answer was “no.” An active employee cannot suspend coverage. The opportunity to suspend FEHBP coverage is only offered to retirees, not active employees. However, an active federal employee may cancel his or her FEHBP coverage while covered under TRICARE and later re-enroll in the FEHBP during the next Open Season; or, as the answer stated, if the employee (in this case, your son) loses his or her TRICARE coverage involuntarily, the employee may re-enroll in the FEHBP immediately upon losing TRICARE coverage.

**RETIREES**

**WHAT’S THE FEHBP MEDICARE PILOT?**

**Q** I was very curious about the Office of Personnel Management’s (OPM’s) Medicare Part B Reimbursement Pilot program, which was offered by the Mail Handlers Benefit Plan (MHBP) in the 2012 Federal Benefits Open Season. What can you tell me about this program, which I first saw promoted in the MHBP ad in the November 2012 issue of narfe magazine?

**A** The Medicare suboption pilot has been offered by the MHBP since 2011. GEHA offered a similar suboption but dropped out of the program after the first year. This year (2013) will be the last year for the pilot as it currently stands. OPM can allow a Federal Employees Health Benefits Program (FEHBP) plan to offer
a Medicare option as a suboption but not as an option (such as Standard, Basic or High) because the FEHBP law does not permit more than two options.

Under the MHBP’s Standard option, enrollees can elect the suboption if they are enrolled or become enrolled in Medicare Part B. In return, the MHBP will reimburse the enrollee an amount equal to the basic Part B premium or up to $125, whichever is less. The downside of this suboption is that the MHBP will not waive its deductibles, co-pays and coinsurance as it does for other Medicare enrollees. So, while Medicare enrollees will get their Medicare premiums back, they will have to pay the same out-of-pocket expenses that non-Medicare enrollees pay. OPM decided to test-offer such a suboption to find out if it would encourage FEHBP enrollees to sign up for Medicare Part B. Having retirees covered by Part B lowers the cost to the FEHBP as a whole.

For 2013, the maximum monthly government share of FEHBP premiums will be $920.73 for a family plan and $413.49 for a self-only plan.

Effect of Re-employment on Annuity

Q I was employed for four days as a staff assistant to a U.S. senator in one of his state offices. I received a call from his Washington, DC, office, and I was advised that I could not work for the senator unless I suspended my annuity benefits for the duration of the employment. I thought that there had been an “offset” enacted to avoid this situation.

A We think the law that you are referring to is the National Defense Authorization Act (NDAA) for Fiscal Year 2010. But it deals with the offset of salary, not the suspension of an annuity. (See the story on p. 20 about how this law is being implemented.)

Normally, if you are retired from federal service and return to work for the government, you continue to receive your annuity while you are working. Your pay would be reduced by the amount of your annuity paid while you work. The NDAA permits an agency to grant its own dual compensation waivers (allowing re-employed annuitants to draw both a full salary and a full retirement), but only on a temporary basis and under certain specified circumstances. Agencies could use this authority for appointments:

• Limited to one year or less; or
• If the hours worked by a re-employed annuitant are limited to 520 during the first six months, 1,040 during any 12-month period and 3,120 for total hours worked during any period.

Most re-employed annuitants can go back to work without it affecting their monthly annuities. But there are exceptions. Under the current law, your annuity is terminated for re-employment in a federal position if:

• The annuity is based on an involuntary separation (other than a separation that was required by law based on age and length of service, or a separation for cause based on charges of misconduct or delinquency), and re-employment is in a position that normally would be subject to retirement deductions;
• The annuity is based on disability, and the Office of Personnel Management (OPM) has found the annuitant recovered or restored to earning capacity prior to re-employment; or
• The annuitant receives a presidential appointment subject to retirement deductions. A retiree’s annuity is suspended during re-employment when:

• The annuitant is a former member of Congress, and the

Government’s Share of Premium

Q With all of the concern over the premium increase in the Federal Employees Health Benefits Program (FEHBP), can you tell me the actual maximum amount of the federal government’s share of the total FEHBP premium in 2013? I know that, in some plans, the enrollee pays more than 30 percent — some up to 40 percent — because Congress has capped the amount that the government pays.

A For 2013, the maximum monthly government share of FEHBP premiums will be $920.73 for a family plan and $413.49 for a self-only plan.

For 2013, the maximum monthly government share of FEHBP premiums will be $920.73 for a family plan and $413.49 for a self-only plan.
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annuity is based on five or more years of congressional and/or congressional employee service, unless the position in which he or she is re-employed is without pay or is on an intermittent basis;
• The annuitant is appointed as a justice or judge of the United States, as defined by Section 451 of Title 28 of the United States Code; or
• The annuitant is awarded interim relief and receives an interim appointment under the provisions of Public Law 101-12.

If you previously worked as a congressional employee for a member of Congress, your annuity might be subject to suspension as stated above. However, it would seem to us that the Senate would be responsible for informing OPM regarding your re-employment, and OPM would contact you about the effect on your current annuity. •

WHO TO NOTIFY

I retired in 1988 under the Civil Service Retirement System. My wife of more than 50 years recently passed away. I have some questions NARFE may be able to help me with: Who needs to be notified besides Social Security? Will my wife’s death change my civil service retirement receipts? If so, how (I had opted for my wife to receive a benefit should I pass away first)? What are the requirements should I decide in the future to get married again? If my retirement benefits are increased and I then get remarried, would I be required to make a refund? What are the time limits?

A

We are sorry for the loss of your spouse. Here are the answers to your questions:
• You must notify the Office of Personnel Management (OPM) of your spouse’s death and provide a copy of the death certificate. You can do this in writing to OPM at P.O. Box 45, Boyers, PA 16017-0045. In your letter, you also should request that your health benefits enrollment be changed to a self-only enrollment if there are no other dependents under your policy. Make sure you include your civil service retirement claim number in your letter.
• OPM will make an adjustment in your annuity to eliminate the reduction to pay for survivor benefits and will notify you when it has done so. Your monthly annuity will increase to its full rate, plus you will see a refund of health benefit premiums representing the difference between the cost of a family enrollment and a self-only enrollment.
• If you remarry in the future and want to provide a survivor benefit for your new wife, you must again write to OPM at the same address to make your request. Enclose a copy of your marriage certificate with your letter. You have two years from the date of your remarriage to make this request. OPM will provide you with information and let you know the amount you must pay, called a deposit, to cover the retroactive reduction of annuity for any period during which there was no survivor election in force, plus 6 percent annual interest. If you wish to cover a new spouse under your health benefits enrollment, you can do this within 30 days of your remarriage — again by contacting OPM — or wait until the next annual Federal Benefits Open Season.

To obtain an answer to a federal benefits question, NARFE members should call 703-838-7760 and ask for the Federal Benefits Service Department; send your question by postal mail to NARFE Headquarters, ATTN: Federal Benefits; or submit it by email to fedbenefits@narfe.org.

NARFE Service Officers are available to answer questions and to assist in helping with a variety of benefit matters. Check your chapter newsletter for the name and phone number of your service officer. For the nearest service officer, call NARFE toll-free at: 800-456-8410.

NARFE Service Centers are also available in some areas. Use the Service Center listings on the NARFE website, www.narfe.org.
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*On uninstalled tub, actual height may vary based upon installation
In 2010, after 42 years of federal employment at the Social Security Administration, Glenna Ross faced a dilemma. Her ailing mother needed round-the-clock care, the cost of a caregiver was exorbitant and Ross’ own efforts to assist with that care were threatening her ability to continue working full time. Ross realized that she could afford to provide such care, including care that she herself provided, if she retired and used her annuity payments. There was just one problem: Ross did not want to retire. Ross, most recently a program manager for time and attendance, enjoyed being productive and interacting with her co-workers, even if it brought her no financial benefit.

In Ross’ time of need, her manager called to her attention a little-known federal employment provision, generically termed “dual compensation waiver authorities,” under which retired or retiring federal employees can be rehired by their own or other federal agencies on a case-by-case basis without offsetting their new earnings against their pension payments, as would otherwise be the case under federal law. That year, Ross returned to work as a rehired annuitant in a nonsupervisory version of her old position, where she now works 12 to 15 hours per week.

For many rehired annuitants like Ross, employment under dual compensation waiver authorities offers the best of all possible worlds: a reduced or flexible schedule that allows time for outside activities while continuing to receive salary and some benefits, the ability to offer continued service to their agency and country, and the opportunity to stay connected to friends and co-workers and the wider world.

For government agencies, use of dual compensation waiver authorities helps to staunch the brain drain caused by retiring employees leaving each year; allows mentoring of new employees; and enables them to ramp up employment in key areas quickly to respond to urgent demands, such as the 9/11 terrorist attacks and natural disasters, and then to ramp down employment after the urgency abates.

In Ross’ case, the Social Security Administration benefits by retaining her as a mentor for new employees, as a portion of its institutional memory, and as someone who can often solve intricate or urgent payroll questions in a fraction of the time it takes less veteran employees, particularly given that Ross managed a payroll computer system that she helped design in 1995.

Ross says that working as a rehired annuitant without salary offset has proved to be an unmitigated blessing. “It’s very rewarding to be able to mentor these talented young people and to be with...
them on the forefront of technology, and it also helps to keep my mind sharp and to be involved,” she says. “My job is the anchor for my day, and enables me to have time for exercise and academic classes and visiting with my mother.”

Still, despite frequently being a win-win for both the rehired annuitant and the agency, dual compensation waiver employment is not business as usual for either side. Often, in part because of congressional directives, dual compensation waiver re-employs involve limited, by-invitation-only arrangements. They remain the exception rather than the rule, are at the discretion of the agency and are for a limited duration. Those seeking rehire under such authorities need to be prepared for employment under a very different set of rules than they enjoyed prior to retirement, one that offers less security and fewer rights, and one that may demand a more flexible and proactive approach for optimal results. For their part, agencies say they must carefully consider how extensively to use rehired annuitants as part of their employment strategy, which has limited their use.

**Dual compensation waiver employment is not business as usual for either side.**

Those given salary offset waivers under the NDAA authority, which will expire in October 2014, are limited to working no more than 520 hours during the first six months of their retirement, 1,040 hours during any 12-month period or 3,120 hours total during their re-employment.

Federal agency usage of the NDAA waiver authority has been less than anticipated. In September 2012, the Government Accountability Office (GAO) released a report to two congressional committees examining the use of the fiscal year 2010 NDAA authority at six agencies in 2010 and 2011. Each of the six agencies showed use of NDAA waivers equivalent to less than three-tenths of 1 percent of their full-time employees, in many cases amounting to the rehire of only a handful of retired annuitants.

NARFE vigorously advocated for the NDAA authority in testimony before Congress prior to its adoption, notes David Snell, director of NARFE’s Federal Benefits Service Department. However, some federal employee advocates, including some employee unions, expressed some trepidation regarding the program. In testimony before Congress, for example, the legislative director of the National Treasury Employees Union (NTEU) expressed concerns that the lack of some employment benefits for rehired annuitants could create an incentive to replace full-time federal employees with part-time, short-term rehired annuitants with fewer benefits and without protections, such as merit principles and competitive hiring practices.

But with the low usage of the NDAA authority, many observers say the focus of employment of retired and retiring employees is shifting to phased retirement. Legislation signed into law in 2012 will, as soon as OPM issues regulations to implement the new law, allow federal agencies, at least initially, to permit retired employees to engage in phased retirements by working half-time and receiving half their pension.

Asked about the NTEU’s current stance toward the NDAA authorization, NTEU National President Colleen M. Kelley responded with a statement:

“NTEU supports expanded opportunities for federal workers nearing retirement to extend their careers and continue their service to the American people. One possible reason that the [NDAA] Rehired Annuitant Authority is not being used to a
great extent is that it is restricted to employees with very specific skill sets, which limits its applicability. A greater number of opportunities will be available through phased retirement, which does not require specific skill sets. As a result, more federal employees nearing retirement can seek to serve on a part-time basis, while collecting a portion of their retirement benefit.”

**Other Authorities**

Other statutory authorities besides the NDAA authority allow re-employment without a salary offset, some under agency-specific authorities that have been granted for varying periods, and that have different requirements and limitations. The Department of Defense, for example, is excluded from the NDAA, as it already has separate employment provisions permitting re-employment of annuitants without subjecting earnings to offset.

In its response to the GAO’s queries regarding the NDAA, the Nuclear Regulatory Commission’s Executive Director for Operations Bill Borchardt, while praising the authorization, noted to the GAO that the agency has thus far only used it occasionally. In part, that is because the NRC instead can make use of a separate dual compensation waiver authority provided to it in the Energy Policy Act of 2005 (EPACT). The NRC has used the EPACT authority more frequently than the NDAA authority because the former is not subject to the NDAA’s limits upon the number of employees or hours, explains Nancy Johns, team leader of the NRC’s Human Resources Policy and Programs Team.

“The Nuclear Regulatory Commission has used the [dual compensation waiver] authorities in varied situations,” says Johns. “For example, the agency has been able at times to rehire an annuitant to fill a critical position until efforts to recruit yield results, or to help provide in-depth knowledge transfer to, and ensure a smooth transition for, a replacement in an unusual discipline. At other times, the agency has hired annuitants to help it complete a mandate within a specific time frame.”

In addition to specific authorities, such as the NDAA, agencies that wish to use a compensation offset waiver for circumstances not addressed...
through such specific authorities may ask OPM to waive the offset requirement on a case-by-case basis or provide the agency head with the authority to do so through a delegation of authority. The Small Business Administration (SBA), for example, uses dual compensation waiver authority delegated by OPM to the SBA’s Office of Disaster Assistance for disaster recovery and economic recovery, according to the GAO report.

While the GAO report survey yielded only limited use of the NDAA authority, it is clear that many retired federal employees are working under a variety of such authorities. More than 125 NARFE members responded to a narfe magazine query and said that they or a colleague had been employed as a rehired annuitant without offset at one of more than 33 agencies or agency subdivisions. OPM does not maintain agency-by-agency statistics on the use of dual compensation waiver authorities, says OPM’s Bailey. “The more specialized the skills, the more likely the individual is to be hired as a rehired annuitant.”

Reduced Benefits and Fewer Protections

OPM has provided only limited directions to agencies on how to implement dual compensation waiver employment under the NDAA, as the law gives agency heads the authority to grant these salary offsets without OPM approval. In a December 9, 2011, Memorandum for Chief Human Capital Officers issued by OPM Director John Berry, Berry clarified that agencies must follow the same hiring rules they would use when appointing nonannuitants, depending on the method they use to make appointments (for example, competitive temporary appointments, Senior Executive Service reinstatement). It also specified that agencies are to use temporary appointments limited to one year or less when authorizing a dual compensation (salary offset) waiver under the NDAA 2010 provisions.

The exact rights and benefits of employees under rehired annuitant arrangements vary, though rehired annuitants without offsets cannot make contributions to their Thrift Savings Plan or count time in their new roles toward calculating their pension benefits. Some agencies allow health and life insurance benefits.

Most of the narfe magazine readers who wrote in to describe or who were interviewed about their experiences as rehired annuitants were enthusiastically positive about them, but complaints about fewer benefits and less security were not uncommon caveats.

“I absolutely loved my work as a rehired annuitant,” says Bonnie Schoen, who retired after 33 years as a tax auditor and revenue agent at the Internal Revenue Service (IRS) and was rehired as a revenue agent instructor by the IRS, where she worked from December 2010 to November 2011. “I was able to meet new employees and teach them. The pros were that the work hours were great and not demanding. In addition, I had no employees for whom I had to write evaluations [as in her previous managerial post]. We were treated extremely well. To be honest, the only con is that if there was a holiday or if we became ill, we did not receive any compensation.”

On the other hand, a few NARFE members said that their experiences as rehired annuitants had been marred by a lack of employment protections.
comparable to their former federal government experiences or by agency missteps in administering dual compensation waiver programs.

One rehired annuitant, who requested anonymity, has filed an Equal Employment Opportunity Commission complaint alleging that his agency dismissed him for inadequate performance that was a pretext for racial discrimination. He also contends that the performance standards for his position were not clearly stated by the agency and that he received no notice of performance problems before he was terminated.

“The legal position being taken by the agency of my client — and, it appears, by other agencies — is that re-employed annuitants have absolutely no legal rights whatsoever since the statute says that the annuitants ‘serve at the will of the appointing authority,’” says the annuitant’s attorney, Karen Ford of Carmel-by-the-Sea, CA-based Ford & Associates, LLC. “This is a cautionary tale for rehired annuitants in that [federal agencies] may tell you things that are inconsistent. They may lead an applicant to believe that the terms of employment will be the same as the federal employment they experienced in the past. When push comes to shove, their HR department will tell them they can fire you at will for all kinds of reasons contrary to the expectations of people who have been employed in the federal system and all the protections they previously enjoyed. These are all matters that haven’t been litigated because they are relatively new.”

Ford notes that the abrupt terminations possible under dual compensation waiver authorities can add a sour final note to an otherwise long, distinguished career in the federal government, as well as potential reputation and post-federal retirement career damage.

Agencies do indeed maintain that, while some protections exist, dual compensation waiver employment is at will. Says the NRC’s Johns: “It is my understanding that merit system principles apply to all employment. So, annuitants would be protected from action taken for prohibited reasons, such as discrimination. The law — at 5 U.S.C. 3323(b)(1) — provides that annuitants serve at the will of the appointing authority. The NRC generally rehires people to meet temporary needs so it makes sense to me that they serve at the will of the agency and, as with other temporary employment, the appointment may be ended when no longer needed. The usual rules would apply as far as qualifications, performance evaluations (if they are on board long enough), etc.”

Many observers say it is important that prospective rehired annuitants confirm through documentation key details regarding dual compensation waiver re-employment arrangements with agency human resources personnel, including: 1) planned work schedule and degree of flexibility for the same, duration of the arrangement and likelihood of possible termination; 2) what benefits will and will not be provided; and 3) a clear statement that re-employment is being made through an authority that will not result in an offset against their pensions.

—DAVID TOBENKIN IS A FREE-LANCE WRITER BASED IN THE WASHINGTON, DC, AREA.

Read more online at www.narfe.org

Read about a State Department retiree who has worked in several positions under waiver authority, when and why the Treasury Inspector General for Tax Administration has used waiver authority to fill critical positions, and how the Federal Law Enforcement Training Center has used the authority since 9/11 to hire instructors.

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113TH CONGRESS PREVIEW
MORE MAY BE ASKED OF FEDERAL EMPLOYEES
Federal workers weathered a long presidential campaign season and related political stalemate over the country’s finances, coming out relatively unscathed from the more drastic proposals targeting their offices and paychecks. But their future remains uncertain as debate over the size of the federal workforce, and employees’ salaries and benefits, will continue to be central in budget discussion on Capitol Hill.

As the lame-duck session of Congress grappled with ways to avoid the “fiscal cliff” — the huge automatic tax increases and spending cuts set for January 2 — and with the new Congress likely to debate long-term deficit reduction, federal employees wondered how much more squeezing they could do and still meet their mandates, while holding up morale. One Nuclear Regulatory Commission employee worried that lawmakers “will drive away the talent from federal government. Who wants to work for the federal government if there is no pay increase ... if there is no opportunity for pay advancement?”

Employee organizations, meanwhile, have vowed to fight to protect federal pay and benefits. NARFE President Joseph A. Beaudoin stated after the election: “Both President Obama and members of Congress talked about shared sacrifice while on the campaign trail, and that’s what we at NARFE are asking for now. Federal employees have contributed more than $75 billion toward getting our country’s fiscal standing back on track. We hope the president will defend federal workers and retirees from the waves of unfair attacks that incorrectly paint civil servants as the cause of our nation’s fiscal problems.”

Comment From the Capitol
Immediately after the election, lawmakers faced discussions on how to avoid the looming fiscal cliff, so they were reluctant to say exactly how discussions during the 113th Congress could proceed. Members and staff on the Hill said they will look at cost-cutting in the federal government, but insisted it will be in the context of broader revenue and savings discussions.

Republican Rep. Dennis Ross of Florida, chairman of the House Oversight and Government Reform subcommittee on the federal workforce, stated by email after the election: “A highly qualified federal workforce is critical to building a more effective, efficient, accountable and transparent government. Critical management challenges require that the 113th Congress determine the appropriate workforce size and composition, compensate federal workers fairly and reward superior performance.” Ross and subcommittee colleague Rep. Jason Chaffetz, R-UT, partnered last year in cosponsoring a bill by Rep. Darrell Issa, R-CA, to cut the federal workforce by 10 percent by replacing retirees on a 3-to-1 basis.

Issa is expected to remain chairman of the full House Oversight and Government Reform Committee, and many don’t expect him to back off his calls for federal workforce and benefits cuts.

In the Senate, Sen. Thomas R. Carper, D-DE, who is expected to assume the chairmanship of the Homeland Security and Governmental Affairs Committee following Sen. Joseph I. Lieberman’s retirement, said he hopes to work with his Republican colleagues. Carper has worked on some initiatives with Oklahoma’s Sen. Tom Coburn, who is in line to take the ranking Republican slot on the committee. Coburn releases an annual report providing his list of inefficiencies in the federal government, and he routinely offers amendments to cut what he perceives as wasteful government spending — a practice he vows to continue.

Carper’s press secretary, Emily Spain, said Carper is “interested in ensuring ... that we’re getting the best results possible for the taxpayer money we invest in federal
programs.” But she added: “Sen. Carper believes that we need to recognize that nothing a federal agency undertakes can be accomplished without good people. Unfortunately, many federal workers today feel demeaned, under siege and unappreciated ... He’ll be working to ensure that agencies have the plans, tools and resources they need to ensure that agencies are staffed appropriately to be as effective as possible.”

Rep. Chris Van Hollen of Maryland, ranking Democrat on the House Budget Committee, simply believes federal workers have given enough. He has fought against Republican proposals to avoid defense cuts by imposing more cuts to the budget of the federal workforce. “My position is, federal employees have already contributed to deficit reduction, and they should not be asked to shoulder a greater burden, especially when the very wealthy Americans have not contributed one penny to reducing the deficit,” he said just after the election. But he is concerned Republicans won’t budge. “The Republicans are sure to continue to put forth proposals that would dramatically cut pay and benefits for federal workers, so this will be an ongoing debate and battle.”

Van Hollen likely will continue to work alongside Wisconsin Rep. Paul Ryan, who is expected to remain at the helm of the Budget Committee. During the last session, Ryan pushed through the House a budget outline that would have continued the federal employee salary freeze through 2015, cut federal employment by 10 percent through a modified hiring freeze and mandated higher retirement contributions by employees.

Observers Weigh In
Thomas M. Davis III of Virginia, former Republican chairman of the House Government Reform Committee who is now director of federal government relations for Deloitte & Touche LLP, said both parties “think they have the mandate ... But if anyone thinks they are going to come in and bully the other side,” they’re mistaken. But Davis also warned that any solution on the table is certainly going to target federal workers in some way. “There’s going to be continued pressure on the budget ... and if you’re in the federal workforce, and there’s budget pressure, it’s never pretty,” he said.

Dr. Kenneth A. Gold, director of the Government Affairs Institute at Georgetown University, agreed federal workers “need to expect that things are going to be extremely tight in years to come. How that’s defined, we don’t know yet.” He pointed to potential consolidation of agencies, a continued hiring freeze and reductions through attrition as all points of continued discussions. Yet his colleague Mark V. Nadel, a senior fellow at the Institute, stated: “Regardless of what kind of mandate you think came from the election ... there was no mandate for a significantly smaller government.”

Pinpointing Cuts and Savings
Regardless of activity during the lame-duck session, most observers say there will remain the problem of the continued national deficit and rising debt, and the unfinished spending bills to keep the government running. Debate will be shaped not only by the impending fiscal problems, but also by continued political considerations of both parties.

As Congress begins hashing out the budget numbers, observers expect these familiar themes to be revived:

- **Salary Freeze.** With the support of Congress, President Obama eliminated annual pay raises for federal employees for 2011 and 2012, holding salaries at 2010 levels, and he
later extended the freeze through March 2013 – the longest such period in decades. He did propose a 0.5 percent increase after the current continuing resolution funding the government expires in late March and assuming regular spending bills are approved. Federal employee groups are pushing to make that raise retroactive to the beginning of 2013.

Although employee organizations remain confident, there is no certainty that a pay raise will be approved in the midst of budget debates. Norman J. Ornstein, resident scholar at the American Enterprise Institute, doesn’t think employees should count on the pay freeze being lifted, as appropriations committees will be looking for money anywhere they can. And discussion surrounding the freeze could revive comparisons of public service wages as compared to the private sector – an issue that those on either side of the debate have argued while holding up studies to support their claim.

Regardless, most observers say the high pay raises once seen in the federal civil service won’t likely be seen again for many years. Paul N. Van de Water, senior fellow at the Center on Budget and Policy Priorities (CBPP), predicts several years of slow salary growth rather than no growth.

John Palguta, vice president of policy for the Partnership for Public Service, suggests some sort of pay reform could be considered to make the pay system uniform across agencies. For example, he says, certain agencies have special authority to offer more in salary – a practice he finds unfair.

• Benefit Cuts. Along with the pay freeze could come debate about federal benefits – an area that CBPP’s Van de Water said is of bigger concern. President Obama last year proposed that federal employees pay 1.2 percent more into their pensions, for example, while other proposals in Congress sought even higher contributions. (A new law enacted in 2012 increases, by 2.3 percent, the amount federal employees hired after January 1, 2013, must contribute to their retirement accounts. See story, p. 12.) The president’s bipartisan fiscal commission suggested using a federal employee’s highest five years – rather than three years – of earnings to calculate benefits for new retirees, as well as higher contributions.

Another proposal may be to require employees to contribute more to their health care premiums. NARFE is keeping watch on the proposal by the U.S. Postal Service (USPS) – as part of a five-year business plan – to withdraw from the Federal Employees Health Benefits Program (FEHBP) and create its own plan. That would pull an estimated 1 million employees and retirees out of the FEHBP and likely raise costs for those members remaining, said former NARFE Legislative Director Julie Tagen. Independent economist Walter Francis told lawmakers that if the USPS pulls out of the governmentwide program, its employees’ premiums would rise about 10 percent because they would no longer benefit from a larger and younger-than-average insurance pool.

Another proposal that continues to circulate on Capitol Hill is changing the way the cost-of-living increase is calculated for Social Security, federal annuities and military retiree pay (see related story, p. 30).

• Workforce Reductions. Another ongoing debate in Congress has been the size of the federal workforce, with each side producing calculations to support its position. Bureau of Labor Statistics data have shown a recent slight drop in federal employment, which hovers around 2.2 million (not including the Postal Service or seasonal census workers), compared to about 1.9 million in 2002. While some criticize the growth over the past decade, others contend that the increase has not nearly kept up with the U.S. population growth and the increasing mandates put on government in terms of Social Security claims, care for wounded warriors, international terrorism concerns and more.

Most analysts don’t foresee a significant decrease in the size of the workforce over the next several years, although lawmakers likely will continue to pursue agency consolidation proposals and workforce efficiencies. President Obama last year garnered some support for a proposal to merge activities of six agencies that handle business and trade. Reports indicate that could reduce 1,000 to 2,000 full-time jobs, although Palguta and others said it is likely consolidation would be phased in.

• Retirements. Some of the proposals for workforce reductions have considered the possibility of attrition – replacing fewer of those employees who leave or retire. Yet, some warn about Office of Personnel Management (OPM) reports of an impending wave of retirements. In

There is no certainty that a pay raise will be approved in the midst of budget debates.
November, OPM reported that, for the fourth consecutive month, the number of federal workers filing for retirement exceeded its expectations, and another estimated 21,000 claims are expected in January. The retirement wave, analysts say, is not only due to the aging of the baby boom generation but also the bashing of public service in the political arena.

“Given the beating federal employees’ benefits have been taking, it does make the argument that it’s less attractive to stay,” Gold said. But others believe retirements are unlikely in the current sluggish economy, and many have actually postponed their retirement in the wake of the recent market crash.

- **Workplace Efficiencies.** With the continued fiscal challenges, Palguta said, “We’re still going to have employees who are being pressured not just to do more with less ... we’re going to see employees asked to try to figure out better ways to get the job done.”

As the 113th Congress begins, NARFE and other employee organizations will be looking to battle severe cutbacks during debate on the Hill and seeking new champions for their causes.

—CHRISTINA L. LYONS

IS A FREE-LANCE WRITER IN THE WASHINGTON, DC, AREA.

Lawmakers seeking further savings in the federal budget are likely to continue to scrutinize entitlements, and that includes the cost of federal retirement benefits. So while federal retirees worry about rising costs of food, fuel and health care — and oftentimes helping their children or parents make ends meet in the sluggish economy — they may have to keep a closer eye on changes in their benefit checks.

Federal policy analysts and lawmakers for several years have debated the value of switching to a different calculation of the Consumer Price Index (CPI) when determining the cost-of-living adjustments (COLAs) for Social Security, federal annuities and military retiree pay. The debate is likely to surface in the 113th Congress.

**Recalculating the CPI**

Since 1972, Congress has enacted automatic Social Security COLAs based on the Bureau of Labor Statistics (BLS) calculation of the consumer price index (the CPI-W) that measures inflation experienced by urban wage earners and clerical workers, who account for about 32 percent of the population. The index measures changing prices of a full range of goods and services, called a “market basket,” that this population would typically purchase. Another index, called the CPI-U, is used to index income tax brackets and poverty thresholds, and is based on changing prices of the market basket for all urban residents (about 87 percent of the population).

Some analysts prefer the CPI-U, which assumes consumers change their spending patterns when prices change — buying less fuel but more food, for instance. BLS statistics show the chained CPI-U, which the Bureau has calculated since 1999, rises about 0.3 percentage points more slowly each year than the CPI-W, but some say it is a more accurate measurement of inflation. According to a March 2011 Congressional Budget Office (CBO) report, using a chained CPI-U to set COLAs would reduce federal expenditures by about $27 billion over five years and by $112 billion through 2021.

NARFE and others contend the chained CPI would underestimate inflation for seniors. Virginia Reno, vice president for income security at the National Academy of Social Insurance, explains that this is because of the cost of health care, particularly rising out-of-pocket health care costs, which have tended to rise faster than inflation. The slower growth in the COLA for retirement benefits would compound over time, so that older or less affluent recipients would see the most significant cuts. Also, the calculation process for the chained CPI takes two years, meaning there is an extensive lag time that would not accurately reflect current price fluctuation, Reno said.

**An Alternative: The Experimental CPI**

The BLS since 1988 has tracked an experimental index called the CPI-E, which accounts for the spending patterns of consumers age 62 and older. That index rises about 0.2 percent faster than the CPI-W, according to Bureau statistics. That calculation tends to more heavily weight health care expenses. Reno and others have suggested the BLS should do a “more robust CPI for the elderly” that better analyzes their spending habits. NARFE’s Legislative Program calls on the BLS to “develop an accurate measure for retirees.”

—BY CHRISTINA L. LYONS
Are you concerned about being helpless in an emergency? Are you and your loved ones anxious about what would happen if you were unable to get to a phone? Have you considered moving out of the home you love and into some kind of assisted living because of these worries? If you answered “yes” to any of these questions, you are not alone. Millions of seniors are concerned about their safety. There are products out there that claim to help, but they are difficult to use and even more difficult to afford. Why mess with complicated installations and long term contracts when there’s a service that’s simple, reliable and affordable? The service is the Lifeline, read on and we’ll explain why every senior in America should have one.

What will you do in case of an emergency? If you have Lifeline, all you do is push a button, and you can get the help you need, quickly and reliably. That’s because it has been “designed for seniors” by the industry leader in providing helpful and affordable solutions for millions of aging Americans.

First of all, it’s simple to install and use. Unlike other products that require professional installation, this product is “plug and play.” The unit is designed for easy use in an emergency, with large, easy-to-identify buttons.

It’s reliable. From the waterproof pendant to the sophisticated base unit to the state-of-the-art 24/7 call center, the entire system is designed to give you the peace of mind in knowing you are never alone in an emergency. You get two-way communication with a live person in Philips Lifeline state-of-the-art Emergency Response Center, and there’s a battery backup in case of a power failure.

Best of all, it’s affordable. There is no equipment charge, no activation fee, no long term contract. Call now and within about a week you or someone you love will have the peace of mind and independence that comes with this remarkable system.

Call now and receive Free equipment, Free activation, Free shipping and a Free gift – valued at $35.

Lifeline
Call now! for a special introductory price.
Please mention promotional code 46107.
1-877-689-6705
Ask us about AutoAlert!

Simple, Reliable, and Affordable

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Finally... Jacuzzi® makes bathing safe and affordable again

The Jacuzzi® Walk-In tub is luxurious, feature-packed and affordable

There is nothing like the simple pleasure of taking a warm bath. The cares of the day seem to fade away, along with the aches and pains of everyday life. Unfortunately for many aging Americans with mobility issues, slipping into a bath can result in slipping onto the floor. The fear of falling has made the simple act of bathing and its therapeutic benefits a thing of the past... until now.

firstSTREET® has partnered with Jacuzzi®, the company that perfected hydrotherapy. Together, they’ve created a walk-in tub that offers more than just safe bathing, peace-of-mind and independence, it can actually help you feel better.

Unlike traditional bathtubs, the Jacuzzi® Walk-In Tub features a leakproof door that allows you to simply step into the tub rather than stepping precariously over the side. It features a state-of-the-art acrylic surface, a raised seat and the controls are within easy reach. No other Walk-In Tub features the patented Jacuzzi® PointPro™ jet system. These high-volume, low-pressure pumps feature a perfectly balanced water to air ratio to massage thoroughly yet gently. Some swirl, some spiral, some deliver large volumes of water and others target specific pressure points. They are all arranged in precise locations designed to deliver a therapeutic massage, yet they are fully adjustable so that your bathing experience can be completely unique.

Why spend another day wishing you could enjoy the luxury and pain-relieving benefits of a safe, comfortable bath? Call now and you’ll get an unsurpassed lifetime warranty. Knowledgeable product experts are standing by to help you learn more about this product. Call today!

What To Look For in a Walk-In Tub:

Five major considerations to help make an informed decision before buying a Walk-In Tub:

➻ Quality - A walk-in tub is a major investment. You want to find a quality tub that will last for decades. Look for one that’s 100% leakproof, mold-resistant, full metal frame construction and one that’s American made.

➻ Warranty - Ask for a lifetime “no leak guarantee.” The best tubs offer a lifetime warranty on both the tub and the operating system.

➻ Pain Relieving Therapy - Find a tub that has both water and air jet therapy to soak away your aches and pains preferably with a perfectly balanced water to air mix.

➻ Comfort - Insist on ergonomic design, easy-to-reach controls.

➻ Endorsements - Only consider tubs that are ETL or UL listed. Also look for a tub tested to IAPMO (International Association of Plumbing and Mechanical Officials) standards and that’s USPC (Universal Spa Plumbing Code) Certified.

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Call now Toll-Free and mention your special promotion code 45862.

Third-party financing available with approved credit.

Not Available in Hawaii and Alaska
NARFE’s Legislative Program for the 113th Congress (2013-2014)

NARFE’s Legislative Program for the 113th Congress (2013-2014) was adopted by the membership at the 32nd Biennial National Convention held August 26-30, 2012, in Sparks, NV.

NARFE’s Legislative Program provides an extensive and specific enumeration of NARFE’s member-endorsed legislative positions. In pursuing these, NARFE will defend the earned pay, benefits and deferred compensation of federal civilian employees and retirees. NARFE advocacy primarily focuses on the following legislative priorities:

- Protect federal and postal retirees’ existing retirement and health benefits from reductions and/or erosion.
- Protect current and future federal civilian employees’ pay, and the retirement and health benefits of current and future federal and postal employees.
- Protect the viability, stability and standard of service of established federal government functions.

The Legislative Program is ordered into three categories: (i) preserving existing benefits; (ii) enhancing existing benefits; and (iii) additional key positions.

Under the NARFE Bylaws, the National President has the authority to execute Association policy, which includes the Legislative Program. Under this authority, the National President makes the final legislative policy and strategy decisions based on guidance from the Legislative Program and counsel from the legislative director, and considers the views of the National Executive Board and leaders and members of the Association. Such counsel and views take on particular importance when, in the absence of specific guidance from the Legislative Program, the National President must use judgment on what is in the best interest of federal workers and annuitants. The interaction between NARFE members at the chapter and federation levels and their members of Congress is critical to achieving the goals set forth in the Legislative Program.

Legislative goals followed by an asterisk * require the introduction of legislation.

Positions printed in italics are new to the Legislative Program for the 113th Congress.
PRESERVING EXISTING BENEFITS

ECONOMIC SECURITY:
FEDERAL CIVIL SERVICE ANNUITIES

- NARFE shall continue efforts in strong support of cost-of-living adjustments (COLAs) for all federally administered retirement programs on a regular annual schedule, computed on the same basis and paid at the same time, regardless of age and/or income level. NARFE opposes across-the-board cuts not required in all federally administered retirement programs.
- NARFE supports, and shall continue to evaluate, a Consumer Price Index (CPI) based on the objective analyses of Bureau of Labor Statistics (BLS) professionals, and opposes any politically arbitrary changes in the CPI. The BLS should establish a research program to develop an accurate measure for retirees. NARFE shall work toward and support changing the CPI-W to the CPI-E as the standard for determining the COLA.*
- NARFE opposes any action that erodes the solvency of the Civil Service Retirement and Disability Fund (CSRDF) and supports providing full public disclosure of the fiscal stability and financial obligations of the Fund.
- NARFE supports legislation to remove the increase in pension contributions of new federal employees, enacted in February 2012, and opposes other future reductions in federal pay, retirement or health benefits.*

FEDERAL EMPLOYEES’ PAY


HEALTH SECURITY: THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)

NARFE supports protecting the integrity and affordability of the nation’s most efficiently administered and cost-effective employer-sponsored health insurance program, the FEHBP, for federal employees and annuitants. Toward that end:

- NARFE opposes reductions in government contributions toward FEHBP premiums.
- NARFE will continue to participate actively in ongoing discussions with key Office of Personnel Management (OPM) officials and staff regarding the premiums, benefits, terms, conditions and marketing of FEHBP plans. NARFE opposes increases in the enrollee co-payment for purchase of prescription drugs in FEHBP by federal annuitants who participate in Medicare.
- NARFE supports legislation that would ensure that all FEHBP enrollees receive the same level of prescription drug coverage, by plan; and*
- NARFE supports retaining the carry-over provisions in current law for Flexible Spending Accounts (FSAs) to ensure that FSAs are not used in conjunction with high-deductible catastrophic health insurance to form an alternative version of a Health Savings Account.*

To protect the program, NARFE opposes:

- Authorizing Health Savings Accounts, Medicare Savings Accounts, Medical Savings Accounts, “customer-driven,” “consumer-driven” or “patient-directed” plans in the FEHBP;
- Broadening participation in FEHBP, unless separate risk pools are created;
- Indexing flat payments by the U.S. government for FEHBP premiums;
- Requiring federal agencies to prefund the government/employer’s share of post-retirement FEHBP premiums for their current employees;
- Establishing separately rated health plans for Medicare-participating retirees and survivors; and
- Proposals that would encourage or force federal annuitants or workers into “cost-conscious” FEHBP plans, such as managed care and “customer-driven” options.

ENSURING JOB SECURITY FOR FEDERAL WORKERS AFFECTED BY PRIVATIZATION

- NARFE opposes policies on contracting out of federal jobs that put employees at a disadvantage in the competitive process.
- NARFE opposes proposals that would privatize government functions that do not ensure the continued federal service of current employees.
- NARFE specifically opposes contracting out the processing and maintenance of federal personnel records.

PROVIDING LONG-TERM CARE

- NARFE shall actively participate in the ongoing development of the Federal Long Term Care Insurance Program, including use of the plan’s economy of scale to make premiums and underwriting requirements more reasonable than similar products sold in the private market.
- NARFE supports the guarantee of long-term care benefits for individuals presently eligible for Medic-
aid, adequate state and federal contributions to Medicaid to finance current and future program needs, standards of care and safety that all nursing homes must follow in order to receive reimbursement for any patient in their care, and current Medicaid law that protects spouses of nursing home residents from becoming impoverished. NARFE opposes further limitations on, and supports easing, asset rules that prevent severely disabled persons from qualifying and receiving Medicaid long-term care benefits."

GUARANTEEING MEDICARE FOR CURRENT AND FUTURE GENERATIONS

NARFE supports:

- Protecting Medicare’s guarantee of basic health security for older Americans at affordable and predictable prices;
- Preserving the current Medicare fee-for-service program, including the ability to select the physician of your choice; and
- Ensuring that the Medicare drug program does not require beneficiaries who receive such coverage through other insurance to pay additional premiums.*

NARFE opposes:

- Means-testing cost-sharing requirements;
- Increasing the Medicare eligibility age;
- Requiring home health care co-payments;
- Proposals that would give private Medicare plans an unfair competitive advantage over the current Medicare fee-for-service program and undermine the present program’s ability to share health care costs over a wide community of coverage, including the premium support demonstration program;* and
- Schemes that limit the government portion or reduce its proportional share of Medicare premiums through a formula that does not accurately reflect the updated costs of providing health care to eligible beneficiaries.

GUARANTEEING SOCIAL SECURITY FOR CURRENT AND FUTURE RETIRES

NARFE opposes investment of the Social Security reserves in investments other than Treasury securities.

NARFE opposes replacing any portion of Social Security benefits with private individual accounts.

In addition, NARFE should be guided by the following seven Social Security principles to provide:

1. A benefit people can depend on;
2. Financial security for the disabled, survivors and dependents (i.e., social insurance);
3. Universal and fair coverage;
4. Deliberate redistribution of benefits to lower income beneficiaries;
5. Efficient administration of the program (less than 1 percent overhead costs);
6. Benefits at no risk to the beneficiaries; and
7. Full cost-of-living adjustments (COLAs).

GUARANTEEING MEDICARE FOR CURRENT AND FUTURE GENERATIONS

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- Schemes that limit the government portion or reduce its proportional share of Medicare premiums through a formula that does not accurately reflect the updated costs of providing health care to eligible beneficiaries.

PRESERVATION OF EMPLOYER-SPONSORED HEALTH INSURANCE

- NARFE supports enforcement of provisions in the Age Discrimination in Employment Act to ensure that, when provided, the same level of employer-sponsored health coverage be given to all retirees regardless of age.

ENHANCING EXISTING BENEFITS

MAKING HEALTH CARE MORE AFFORDABLE

The Association shall actively participate in efforts by the administration and Congress to contain FEHBP costs, including the development and implementation of initiatives to rein in skyrocketing prescription drug expenses, particularly the use of the federal supply schedule by FEHBP plans to purchase prescription drugs on behalf of enrollees.

- The Association will educate its members on the effect of adding to or changing coverage, and the costs and benefits of requiring such benefit changes.
- NARFE opposes the Office of Personnel Management’s decision to forgo the Medicare employer subsidy to which the FEHBP is entitled, since plans provide annuitants age 65 and older with drug coverage that is greater in value than the Medicare Part D prescription drug program, and will actively pursue the subsidy for the purpose of offsetting FEHBP

WANT TO KNOW MORE?
Visit www.narfe.org/legislation for the latest news of interest to federal employees and retirees, and for grassroots advocacy resources.
premiums charged to the government/employer and all enrollees.

ENSURING FAIR SOCIAL SECURITY BENEFITS FOR GOVERNMENT RETIREES
- NARFE supports the repeal or reform of the Social Security Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).*
- NARFE supports legislation that would require the Social Security Administration to report annually the amount of WEP penalty to affected individuals.*

ADDITIONAL KEY POSITIONS

PROTECTING THE U.S. POSTAL SERVICE’S CONTINUED ABILITY TO PROVIDE UNIVERSAL SERVICE
- NARFE supports legislation to maintain six delivery days per week by the U.S. Postal Service (USPS) nationwide.*
- NARFE will join with other federal and postal organizations to seek legislation to keep small post offices open throughout the United States.*
- NARFE supports legislation to relieve the USPS of its overly burdensome requirement to prefund over 10 years (from 2007 to 2016) its future retiree health care obligations that are estimated to accrue over the next 75 years.*
- NARFE supports legislation to allow the Office of Personnel Management to make payments for any refund due to the USPS from the Civil Service Retirement and Disability Fund (CSRDF), on the condition that such payments would not result in the reduction of federal annuities paid to retirees and survivors.*

PERFECTIONING FEDERAL RETIREMENT
- NARFE supports legislation to provide retiring federal employees the option of electing and paying the actuarial cost of additional survivor annuity amounts in 5 percent increments, up to 75 percent of an unreduced annuity.*

NARFE shall advocate and support legislation that permits civilian federal employees to deposit bonuses and performance awards in any form into the Thrift Savings Plan (TSP) on a tax-deferred basis.* NARFE supports legislation to conform the TSP regulations to Internal Revenue Service (IRS) regulations on other qualified retirement savings plans.* NARFE supports legislation to authorize the Federal Retirement Thrift Investment Board to take legal action to protect the interests of TSP account holders in accordance with its fiduciary responsibilities.*
- NARFE supports legislation on behalf of the diminishing number of Filipino federal annuitants to provide for increased and adequate compensation for services rendered to the government of the United States.*
- NARFE supports legislation to prevent the erosion of deferred federal annuitant retirement benefits.*
- NARFE supports legislation that would allow the recalculation of retirement annuities for federal employees who have retired since 1994 and who worked in Hawaii, Alaska or the U.S. Territories, and who pay the contributions to the Civil Service Retirement and Disability Fund and income taxes that they would have paid had locality pay been available to them prior to their retirement.*

ENHANCING LONG-TERM CARE
- NARFE supports proposals to develop and coordinate a comprehensive long-term care policy that would include public and private initiatives that address financing, choices and quality service.
- The Association supports tax relief for the purchase of long-term care insurance, family caregiving and other long-term care expenses.* NARFE supports proposals that would help individuals who cannot afford long-term care insurance or have an immediate or likely need for long-term care to receive such services without impoverishing themselves.*
- NARFE supports nursing home reform, including efforts to ensure that long-term care facilities are adequately staffed with experienced professionals in the medical disciplines of gerontology and nursing, and that such individuals continue to receive training and are adequately compensated.*

IMPROVING THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)
- NARFE will encourage the Office of Personnel Management to increase the number of health care providers

DID YOU KNOW?
NARFE has an effective and highly regarded team of lobbyists who work on behalf of federal employees, retirees and their survivors.
who are board certified in, or have training in, geriatrics in FEHBP plans.

**PROVIDING TAX RELIEF FOR HEALTH CARE EXPENSES**

- NARFE supports legislation to amend Section 125 of the tax code to allow federal retirees and survivors, and all other retirees, to pay:
  1. Their share of FEHBP and other employer-sponsored health insurance premiums with pretax annuities; and
  2. Health care costs not covered by traditional health insurance and child and adult dependent care with pretax annuities deposited by annuitants in “Flexible Spending Accounts” (FSAs).*

**IMPROVING MEDICARE**

**NARFE supports efforts to:**

- Repeal means-testing of Medicare premiums;*
- Reduce the penalty imposed on those who do not enroll in Medicare Part B at the time they become eligible;*
- Enhance Medicare prescription drug coverage, including authority for the federal government to negotiate drug prices for the entire program; simplify and stabilize coverage; and provide equal coverage throughout the United States and its territories;* and
- Place a greater emphasis on gerontological studies and training in medical education programs financed by Medicare.

**CONTROLLING PRESCRIPTION DRUG COSTS**

**NARFE supports legislation to:**

- Allow pharmacies to buy prescription drugs from pharmaceutical manufacturers for Medicare beneficiaries at the same average discount available in industrialized countries;*
- Permit drugs made in the United States or other industrialized countries, and exported to third-party industrialized countries, to be reimplemented, or imported, to the United States;*
- Prevent pharmaceutical manufacturers from limiting the sale of drugs to other countries for the purpose of discouraging reimportation; and*
- Speed the approval of less expensive generic drugs.*
- NARFE supports compliance with current law that directs the Food and Drug Administration (FDA) to approve new drugs through evidence-based evaluation.

**PROVIDING COMPREHENSIVE PATIENT PROTECTIONS**

- NARFE supports legislation that would provide comprehensive patient protections to consumers enrolled in health plans regulated by federal and state law, and would also allow such individuals to sue their plans for wrongful denials of care.*

**SECURING UNIVERSAL ACCESS TO COMPREHENSIVE HEALTH CARE**

- NARFE supports access to comprehensive health care for all Americans.*

**PREVENTING MEDICAL ERRORS**

- NARFE supports legislation that would create a system to monitor, analyze and prevent medical errors.*

**ESTABLISHING TAX EQUITY**

- NARFE supports legislation to provide equitable tax treatment of government retirement benefits comparable with Social Security.*
- NARFE supports indexing the income threshold on taxable Social Security benefits.*

**SUPPORTING COMMUNITY SERVICES FOR OLDER AMERICANS**

- NARFE supports the reauthorization of, and adequate annual appropriations for, the Older Americans Act to ensure the continuation and enhancement of community services for senior citizens of all income levels.*

**IMPROVING RESPONSE PLANS FOR OLDER AMERICANS**

- NARFE supports the development of a coordinated federal, state and local emergency response plan for seniors in the event of public health emergencies or natural disasters.*

**DISTRICT OF COLUMBIA STATEHOOD AND DELEGATE VOTING RIGHTS**

- NARFE supports legislation that would grant statehood to the District of Columbia.*
- NARFE supports legislation and other changes necessary to extend to the delegate from the District of Columbia the same right to vote on the floor of the U.S. House of Representatives as is afforded to all other members of Congress.*
A MEGA ROTH IRA OPPORTUNITY

If planned for properly, Roth individual retirement accounts (IRAs) have the potential to provide significant tax savings for both you and your heirs. Unfortunately, most individuals can only fund Roth IRAs through small annual contributions (if even eligible to do so) or through potentially costly conversions. But there is one funding method, available only to Civil Service Retirement System (CSRS) employees, that is so unique that it’s almost impossible to pass up.

The strategy starts with the seldom-used voluntary contribution (VC) program, which was originally created to provide CSRS employees with an opportunity to contribute to a savings program in order to supplement their retirement annuities. However, the real power of the VC program lies in the ability to use it as a conduit for funnelling large amounts of money to a Roth IRA with little or no tax consequences.

Unlike Roth IRA contributions, which are limited to $5,000 per year ($6,000 for those age 50 and older), CSRS employees are permitted to contribute up to 10 percent of their lifetime federal earnings to the VC program. Furthermore, contributions to the VC program are made with after-tax money, which makes it possible to convert to a Roth IRA with little or no taxes.

For example, a CSRS employee who has been working for 30 years with lifetime federal earnings of $1,500,000 is eligible to contribute up to $150,000 to the VC program. If structured properly, this money could then be directly rolled over to a Roth IRA tax-free. The emphasis here is that the VC program does pay interest on contributions, and any distributions (including conversions to Roth IRAs) from the VC program consisting of interest are taxable in the year of distribution.

You cannot avoid the tax on the interest indefinitely, but you can delay it by directing the Office of Personnel Management to roll over the accrued interest to a Thrift Savings Plan (TSP) account, a traditional IRA or other qualified retirement plan. At that point, VC contributions can be rolled over and converted tax-free to the Roth IRA.

Thanks to the Pension Protection Act of 2006, which became effective in 2008, qualified plans, including the VC account, can be rolled over directly and converted to a Roth IRA. Prior to 2008, these retirement plans had to go first to a traditional IRA before being converted to a Roth IRA. This is significant because, if an individual owns multiple IRAs funded with both pretax and after-tax money, the Internal Revenue Service (IRS) does not allow you selectively to convert only after-tax money to avoid taxes on the conversion.

For example, let’s assume you have an existing IRA worth $80,000 funded entirely with pretax money when you roll over your $20,000 VC account (we’ll assume to consist of all contributions) to another IRA. When you convert the $20,000 IRA to a Roth IRA, the IRS will apply the pro-rata rule to determine how much of the conversion will be tax-free and how much will be taxable. In this case, the after-tax contributions represent 20 percent of the total IRA value ($20,000/$100,000), so 20 percent of the conversion to a Roth IRA will be considered to come from after-tax money and 80 percent from pretax money. The result is that 80 percent of the conversion will be taxable, while only 20 percent will be tax-free.

However, the direct roll-over conversion permitted by
the Pension Protection Act circumvents the pro-rata rule, and the $20,000 from the VC program can be directly converted to a Roth IRA without any tax.

The ability to direct large amounts of money to a Roth IRA – and effectively avoid taxes on investment income – is not only a huge benefit to CSRS employees but also to their beneficiaries.

Unlike traditional IRAs, Roth IRA account owners are not required to take minimum distributions, so the entire Roth IRA account can be left untouched to grow tax-free for their beneficiaries. Beneficiaries will be required to take minimum distributions, but the distributions will be tax-free and can be stretched out over their life expectancies, if desired.

The VC program can be a great tool for savings and estate planning, but you should be aware of the factors that must be considered to execute the strategy properly.

MARK A. KEEN, CFP®, IS PRESIDENT AND OWNER OF BENNETT FINANCIAL ADVISORS, 3600 CHAIN BRIDGE RD., FAIRFAX, VA, AND AN INVESTMENT ADVISER REPRESENTATIVE AND REGISTERED PRINCIPAL OF THE STRATEGIC FINANCIAL ALLIANCE, INC. (SFA). SECURITIES AND ADVISORY SERVICES ARE OFFERED THROUGH SFA. EMAIL: MKEEN@TRIBUTARYADVISORS.COM.
RESOLVED: ADOPT BEST PRACTICES

This is the season to make New Year’s resolutions. Taking a page from the best practices of fellow NARFE activists could make a great difference in your chapter, your district and your federation. Recruiting new members and converting members to activists will be vital in 2013 and throughout the 113th Congress. To earn or enhance your activist credentials, resolve to:

Access the Hotline
NARFE’s Legislative Hotline is the activist’s companion to narfe magazine. The Hotline is updated most Fridays and every Friday when Congress is in session. It is distributed via email, posted on the NARFE website and available over the phone by calling, toll-free, 877-217-8234.

Join the Rapid Response Team
Get NARFE emails, especially the Legislative Hotline and Action Alerts. Promote yourself from member to activist by placing your email address in your NARFE record (go to www.narfe.org, log in and click on “Update My Record”). Protect your earned benefits by responding to the timely warning of legislation to reduce them.

Participate in Local Advocacy
Attend a chapter meeting, your own or one nearby. Use the chapter locator (go to www.narfe.org, log in and click on “Find Us Locally”). Befriend a new member.

Become an Electronic Advocate
Send a message to members of your congressional delegation by using our current letter template or, preferably, personalizing it. NARFE’s Legislative Action Center makes this easy (go to www.narfe.org, log in and click on “Legislative Action Center”).

Speak Out in the Press
Use the Media Guide portion of the Legislative Action Center to send letters to the editor.

Meet a Legislator Face to Face
Visit a district office of your representative or one of the state offices of your senators. District or state directors may be more influential than most Washington staff. If you need assistance, contact the Legislative Department, 703-838-7760, ext.201; or email us at leg@narfe.org. Face-to-face interaction is the most powerful form of communication. Start a relationship and then cultivate it.

Call the Capitol (It’s Free!)
Phone your representative and senators using NARFE’s toll-free number for the Capitol switchboard, 866-220-0044. Ask to be sent regular updates or provide your phone number for tele-town hall meetings. Members of Congress should want to keep you informed.
Phone the White House
(It’s Free, Too!)
Phone the White House Comment Line using NARFE’s toll-free number, 888-225-8418.

Get Advocacy Training
Register for NARFE’s Legislative Training Conference, March 9-12, in Arlington, VA. Join 300 NARFE leaders and learners eager to step up their game. See p. 11 for more information.

Sharpen Your Tools
Explore the “Protect America’s Heartbeat” Toolkit at www.narfe.org/heartbeat/toolkit.cfm.

Donate
Donate to NARFE-PAC, our political action committee. Contribute online now at www.narfe.org/donation/donate.cfm or use the coupon that will resume publication in narfe magazine in March.

Recruit a new member. Clout comes from numbers even more so than dollars.

Recruit
Recruit a new member. Clout comes from numbers even more so than dollars. NARFE membership makes a perfect gift for any occasion.

There is much political and policy uncertainty as the New Year begins. Members of Congress have newly drawn districts, won by precarious margins, and face daunting challenges. These circumstances present NARFE an opportunity, if we seize it.

At Freedom Plaza, Sun City Center; Boredom is Not an Option.

Dinner, dancing, theatre, swimming, billiards, a card room, a par 63 golf course, a woodworking shop, a beauty salon, a 300-seat theatre. Just a few of the activities that will keep the active senior engaged at Freedom Plaza. And that’s just a sampling of what is offered on campus.

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Have a ball. We have a foot masseur standing by.

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FOR THE RECORD

COUNTDOWN TO COLA

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THRIFT SAVINGS PLAN MONTHLY RETURNS

<table>
<thead>
<tr>
<th>MONTH</th>
<th>L INCOME</th>
<th>L 2020</th>
<th>L 2030</th>
<th>L 2040</th>
<th>L 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECEMBER</td>
<td>0.20%</td>
<td>0.11%</td>
<td>0.09%</td>
<td>0.07%</td>
<td>(0.01%)</td>
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</tbody>
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<tr>
<th>MONTH</th>
<th>G FUND</th>
<th>F FUND</th>
<th>C FUND</th>
<th>S FUND</th>
<th>I FUND</th>
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<tbody>
<tr>
<td>DECEMBER</td>
<td>0.15%</td>
<td>1.01%</td>
<td>1.04%</td>
<td>(0.04%)</td>
<td>(2.03%)</td>
</tr>
<tr>
<td>JANUARY</td>
<td>0.13%</td>
<td>0.88%</td>
<td>4.50%</td>
<td>7.59%</td>
<td>5.36%</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>0.12%</td>
<td>0.05%</td>
<td>4.34%</td>
<td>3.99%</td>
<td>5.14%</td>
</tr>
<tr>
<td>MARCH</td>
<td>0.14%</td>
<td>(0.61%)</td>
<td>3.30%</td>
<td>2.30%</td>
<td>0.13%</td>
</tr>
<tr>
<td>APRIL</td>
<td>0.15%</td>
<td>1.12%</td>
<td>(0.62%)</td>
<td>(0.71%)</td>
<td>(1.87%)</td>
</tr>
<tr>
<td>MAY</td>
<td>0.14%</td>
<td>0.91%</td>
<td>(5.99%)</td>
<td>(6.91%)</td>
<td>(11.40%)</td>
</tr>
<tr>
<td>JUNE</td>
<td>0.11%</td>
<td>0.05%</td>
<td>4.13%</td>
<td>3.25%</td>
<td>7.08%</td>
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<tr>
<td>JULY</td>
<td>0.12%</td>
<td>1.38%</td>
<td>1.40%</td>
<td>(0.62%)</td>
<td>0.56%</td>
</tr>
<tr>
<td>AUGUST</td>
<td>0.11%</td>
<td>0.07%</td>
<td>2.25%</td>
<td>3.57%</td>
<td>3.29%</td>
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<tr>
<td>SEPTEMBER</td>
<td>0.10%</td>
<td>0.15%</td>
<td>2.57%</td>
<td>2.51%</td>
<td>2.96%</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>0.12%</td>
<td>0.20%</td>
<td>(1.86%)</td>
<td>(1.31%)</td>
<td>0.85%</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>0.11%</td>
<td>0.16%</td>
<td>0.57%</td>
<td>1.53%</td>
<td>2.41%</td>
</tr>
</tbody>
</table>

YTD: 1.35%  4.43%  15.03%  15.46%  14.04%
LAST 12 MO: 1.50%  5.49%  16.22%  15.42%  11.72%

<table>
<thead>
<tr>
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<th>CPI-W</th>
<th>Monthly % Change</th>
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<tr>
<td>OCTOBER 2012</td>
<td>227.974</td>
<td>-0.1</td>
<td>0.45</td>
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—Tracey Ray is Chief Investment Officer of the Thrift Savings Plan

‘CLIFF’ FEARS STYMIE STOCKS

By Tracey Ray

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I Fund: International stocks of 21 developed countries
L Fund: Invested in the G, F, C, S and I Funds (The proportion of L Fund balance invested in each of

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Donate to NARFE Programs

Support Alzheimer’s Research

Enclosed is my NARFE-Alzheimer’s contribution: $ ____________________
Every cent that is contributed is used for research.

Please circle:  Mr.  Mrs.  Miss  Ms.
Name: ___________________________________________
Address: _______________________________________
City: ___________________ State: _______ ZIP: ______
Chapter Number: ________________________________

Credit Card Information:
MASTER CARD             DISCOVER            AMEX
Card Number: ________________________________
Expiration Date: ___ (mm)/ ____ (yy)
3-Digit Security Code: _______________________
Name: (please print) ______________________________________

Signature ______________________________________ Date ___ / ___ / ___

NARFE Members contributed for Alzheimer’s research: $10 Million Fund
$9,956,221*  
*Total as of October 31, 2012
100% of all contributed funds go to Alzheimer’s research.

If you have any questions, write to:
NATIONAL COMMITTEE CHAIR
Jane Rodgers, P.O. Box 234
Wadesville, IN 47638-0234
EMAIL: ajrodgers@tds.net

Make check payable to:
NARFE Silver Circle,
606 N. Washington St.
Alexandria, VA 22314

Join the Silver Circle

CLIP THIS CONTRIBUTION FORM AND MAIL TO:
NARFE Silver Circle, 606 N. Washington St.
Alexandria, VA 22314

• For a contribution of $25 or more, you will receive a Silver Circle pin, and your name will be listed in nafre magazine with other contributors.
• For a contribution of $1,000 or more, your name will be placed on the “Wall of Fame” at NARFE Headquarters.

Enclosed is my Silver Circle contribution: $ ____________________
(ID # may be found on your nafre magazine label or your NARFE membership card)
Name: ___________________________________________
Address: _______________________________________
City: ___________________ State: _______ ZIP: ______

Silver Circle contributions are NOT deductible for federal income tax purposes.

INSTALLMENT PLAN
Wall of Fame 12-month installment plan

Name: (please print) ______________________________________
Signature ____________________________ Date ___ / ___ / ___

My check is enclosed
(Please make check payable to NARFE Silver Circle.)
Please charge my credit card
Card type MASTER CARD             DISCOVER            AMEX
Card Number: ________________________________
Expiration Date: ___ (mm)/ ____ (yy)
Name: (please print) ______________________________________

Give to the Scholarship and Disaster Funds

Make check payable to:
NARFE-FEEA Disaster Fund or NARFE-FEEA Scholarship Fund.

Please mail coupon and check to:
FEEA
3333 S. Wadsworth Blvd., Suite 300
Lakewood, CO 80227

Your charitable contribution is tax-deductible to the fullest extent allowed by law.

YES! I would like to help with my contribution.

Please check appropriate box(es). To make credit-card contributions, call 800-338-0755. Scholarships are available to children, grandchildren and great grandchildren of federal civilian retirees and current federal employees who are NARFE members.

NARFE-FEEA Disaster Fund  Amount: $____________
NARFE-FEEA Scholarship Fund  Amount: $____________
Name: ___________________________________________
Address: _______________________________________
City: ___________________ State: _______ ZIP: ______

WRITE YOUR CHAPTER NUMBER ON CHECK; MAKE IT PAYABLE TO:
NARFE-Alzheimer’s Research
AND MAIL TO:
Alzheimer’s Association
225 N. Michigan Ave., 17th Floor
Chicago, IL 60601-7633

WRITE YOUR CHAPTER NUMBER ON CHECK; MAKE IT PAYABLE TO:
Alzheimer’s Association
225 N. Michigan Ave., 17th Floor
Chicago, IL 60601-7633

YOUR CHARITABLE CONTRIBUTION IS TAX-DEDUCTIBLE TO THE FULLEST EXTENT ALLOWED BY LAW.
Hurricane Sandy once again brought the NARFE-FEEA Disaster Fund to the forefront. In the wake of the storm that ravaged parts of the Atlantic coast in late October, NARFE members turned to the Fund for assistance.

Cash grants ($500 maximum per grant per household) are available to all NARFE members in good standing who have been injured, incurred property damage or have other needs during and after a declared natural disaster.

David J. Wineland, a physicist at the National Institute of Standards and Technology (NIST), has been awarded the Nobel Prize in Physics 2012. In recognition of the achievement, NARFE National President Joseph A. Beaudoin granted Wineland a Life membership in the Association.

“Humble, dedicated to advancing knowledge and passionate about his work, Dr. Wineland exemplifies the very best of the federal workforce,” Beaudoin said. “We are proud to call him a colleague, and very happy to honor him with a Life membership in NARFE.”

Wineland, who has worked for the NIST for 37 years, joins more than 50 current or former federal employees who have been awarded a Nobel Prize since the awards began in 1901, according to the Partnership for Public Service.

Wineland shares the 2012 physics prize with Serge Haroche of the Collège de France and École Normale Supérieure in Paris. Wineland and Haroche were honored “for groundbreaking experimental methods that enable measuring and manipulation of individual quantum systems.”

“I feel I’ve been very lucky in my career by being at NIST,” Wineland told *narfe* magazine. “We have a great group of people working together in the area of research that is recognized by the award, and this wouldn’t have happened without their efforts.

“We have also had continued support from our division chiefs and lab director, who, for example, encouraged us to pursue some basic research ideas that have now found their way into operating advanced atomic clocks. As a scientist, there’s not much more you could ask for.”

The Fund, established in 1996, is administered by FEEA, the Federal Employee Education & Assistance Fund. “We never know where or when the next disaster will occur,” said NARFE President Joseph A. Beaudoin. “That is why it is so important to have cash on hand in the Disaster Fund. Please consider making a contribution now to replenish our reserves.”

To make a tax-deductible donation to the Fund, clip the coupon on p. 43 or go to the NARFE website, log in and click on “Special Programs.”
Active and Retired Federal Employees ... JOIN NARFE TODAY!
The only organization dedicated solely to protecting and preserving the benefits of all federal workers and retirees, NARFE informs you of any developments and proposals that affect your compensation, retirement and health benefits, AND provides clear answers to your benefit questions.

Who Should Join?
If your future security is tied to federal retirement benefits — federal retirees, current employees, spouses, and individual survivors — you are welcome to join NARFE.

Three Easy Ways To Join
1. Complete this application and return by mail with your payment.
3. Call 800-627-3394, Monday through Friday, 8 a.m. to 5 p.m. ET.

NARFE MEMBERSHIP APPLICATION

☐ YES. I want to join NARFE.
Please start my individual one-year membership for the first-year dues of $45.
☐ Mr.  ☐ Mrs.  ☐ Miss  ☐ Ms.
Full Name ____________________________________________
Street Address ________________________________________
Apt./Unit ____________________________________________
City __________________ State _____ ZIP ____________
Phone (__________) ________________________________
Email ______________________________________________
Date of Birth _ _ _ _ _ _ _ _ _  / _ _ _ _ _ _ _ _ _

☐ I am a (check all that apply)
☐ Active Federal Employee
☐ Active Federal Employee Spouse
☐ Annuitant
☐ Annuitant Spouse
☐ Survivor Annuitant
☐ Please enroll my spouse for an additional $45.
Spouse’s Full Name __________________________
Spouse’s Date of Birth _ _ _ _ _ _ _ _ _  / _ _ _ _ _ _ _ _ _

NARFE respects the privacy of our members. Personal information is used to provide content and relevant communications to our members, and will not be sold or rented to third parties without your express permission.

CALCULATE YOUR DUES

$45.00  x  # Joining  =  Total Dues
(First-year dues include national and chapter dues.)

CHAPTER AFFILIATION
(If known, otherwise NARFE will enroll you in the chapter closest to your ZIP code.)

Enroll me in Chapter # _______ _______ _______ _______

PAYMENT OPTIONS
☐ Check, Money Order or Bill Pay (Payable to NARFE)
☐ Bill me (NARFE membership will start when payment is received.)
☐ Charge my:  ☐ MasterCard  ☐ VISA  ☐ Discover  ☐ American Express

Card No. ________________________________
Expiration Date _ _ _ _ _ _ _ _ _  / _ _ _ _ _ _ _ _ _

Name on Card ________________________________
Signature _____________________________________
Date _________________________________________

MAY WE THANK SOMEONE?
If applicable, please provide the name, membership and chapter number of the member who introduced you to NARFE:

Recruiter’s Name ________________________________
Recruiter’s Membership ID __________________________
Recruiter’s Chapter Number __________________________

MAIL THIS APPLICATION TO
NARFE Member Records
606 N. Washington St.
Alexandria, VA 22314-1914
What is dues withholding?
It is a dues-payment method that gives NARFE members (retirees) the option of having their annual NARFE membership dues deducted from their annuities on a monthly basis.

How does it work?
One-twelfth of your total dues is automatically deducted from your monthly annuity. Your monthly deduction is determined by the following formula:

\[ \text{Total Monthly Deduction} = \frac{\text{National dues}}{12} + \frac{\text{Chapter dues}}{12} \]

Advantages
- Save 15% off your annual membership dues!
- Sign up your spouse and double your savings!
- You’ll never get another dues reminder from us!
- Your monthly payment is affordable and convenient!
- You may cancel your dues at any time!

Application process
It takes 60-90 days to process your application. Once the process is complete, you will receive a special membership card distinguishing you as a NARFE dues-withholding member.

To learn more about dues withholding, call 800-627-3394.
Retirees, spouses of retirees and annuitant survivors are eligible for dues withholding.
2013 marks the 100th anniversary of an American Classic: the Buffalo Nickel. To honor this milestone, New York Mint is releasing to the public bags of original U.S. government Buffalo Nickels not seen in circulation for decades. Now they can be acquired for a limited time only—not as individual collector coins, but by weight—just $49 for a full Quarter-Pound Bag.

100% Valuable Collector Coins—GUARANTEED!
Every bag will be filled with collectible vintage Buffalos from over 70 years ago, GUARANTEED ONE OF EACH:
• 1920-1929—“Roaring '20s” Buffalo
• 1930-1938—The Buffalo’s Last Decade
• Mint Marks (P, D, and S)
• ALL Collector Grade Very Good Condition
• FREE Stone Arrowhead with each bag
Every vintage Buffalo Nickel you receive will be a coveted collector coin—GUARANTEED! Plus, order a gigantic full Pound bag and you’ll also receive a vintage Liberty Head Nickel (1883-1912), a valuable collector classic!

Long-Vanished Buffalos Highly Coveted by Collectors
Millions of these vintage Buffalo Nickels have worn out in circulation or been recalled and destroyed by the government. Today, significant quantities can often only be found in private hoards and estate collections. As a result, these coins are becoming more sought-after each day. In fact, the market price for Buffalo Nickels has risen 76% in the last ten years alone!

Supplies Limited—Order Now!
Supplies of vintage Buffalo Nickels are limited as the availability continues to shrink. And the 100th anniversary is certain to drive demand up even further! They make a precious gift for your children, family and friends that will be appreciated for a lifetime.

30-Day Money-Back Guarantee
You must be 100% satisfied with your bag of Buffalo Nickels or return it within 30 days of receipt for a prompt refund (less s/h).

Order More and SAVE
QUARTER POUND Buffalo Nickels
Plus FREE Stone Arrowhead
$49 + s/h

HALF POUND Bag
Plus FREE Stone Arrowhead
$79 + s/h SAVE $19

ONE FULL POUND Bag
Plus FREE Stone Arrowhead and Liberty Head Nickel
$149 + s/h SAVE $47

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NOW FOR FEDERAL E

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Visit TruHearingMemberPlus.com/enroll or, call Customer Care at (877) 379-4522.
You must use enrollment code: TH2N-ARFE

ALL APPOINTMENTS MUST BE SCHEDULED THROUGH TRUHEARING!

THIS IS NOT INSURANCE. TruHearing provides discounts through contracted health plans and enrolled employee groups for hearing aid sales and professional services at selected hearing care providers. Professional services for fitting, programming and three adjustment visits, are included in the price of the aids. The customer is obligated to pay for testing, and all other post-fitting hearing care services, but will receive a discount from those health care providers who have contracted with TruHearing.
ALL EMPLOYEES.
hundreds to thousands through TruHearing.

RESOUND ALERA 9 WIRELESS

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<td>MEMBERPLUS MEMBERSHIP FEE</td>
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<td>$997</td>
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OVER 90 MODELS + MORE THAN 450 STYLES.

FOR FL, OK, NV RESIDENTS: The MemberPlus member (“Member”) may cancel membership within 30 days, and receive a full refund of fees. The Member must return hearing aids within 45 days of purchase to receive a full refund of the purchase price. In Florida and Nevada, the DMPO does not make payments directly to providers. As with all Members nationwide, fitting fees, programming fees and first three visits are included in the price of the aids. See full terms and conditions on www.truhearingmemberplus.com.
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An Immigration and Naturalization Service clerk on Ellis Island in New York Harbor, circa 1940, uses a naturalization applicant’s original arrival record to verify the applicant’s legal entry into the United States. Today, the U.S. Citizenship and Immigration Services (USCIS) verifies immigrant status information using a number of automated systems.

PHOTO COURTESY of the Society for History in the Federal Government (SHFG), http://shfg.org/shfg/. Bringing together government professionals, academics, consultants, students and citizens interested in understanding federal history work and the historical development of the federal government.

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