



Jay Souders,
Chapter President

Belated Happy New Year. We made our resolutions and stand ready to face the many challenges we are sure to face throughout the year. Our national NARFE officers do a wonderful job of keeping us informed as to what is going on that might affect our lives and retirement benefits. They need our support and we for sure need them.

Some important events happened in January: The State of the Union address is one. The administration policy, goals, and suggested tax and spending targets.

Shiloh Chapter 861

National Active and Retired Federal Employees

If you are not an active member of our chapter, or a national only member, please come to our next meeting and check us out. You'll find the latest NARFE updates, and have a good time and good food. Johnny Blakely, Field Representative for Congressman Marsha Blackburn, is our March speaker, and the April guest speaker is Hardin County Sheriff Sammy Davidson, speaking on "Meth is Death". 2nd Thursday, Pickwick St. Park, 11 AM. See you there.

Then the outline of things Congress thinks should be done. For planning purposes, NARFE has designated March as NARFE-PAC month, and set the week of March 20-24 as Lobby Week. That's the week we are requested to contact our legislators about the bills of particular interest to NARFE. A letter to Congressman Marsha Blackburn is included in this mailing for your use. If you wish to use it, simply date it, sign your name, giving your full address, and mail it. That will be a big help to NARFE and to our chapter as part of our focus on Congress

during March.

At the local chapter level we have a good man, Paul Schumacher, keeping us up on the events we need to watch for and call about.

Our Chapter 861 is still doing ok. We would like to see more members enjoying the friendship and fellowship we offer, but realize some members just can't make it at times. Come and bring a friend when you can. And bring a donation to NARFE-PAC at the March meeting—a \$15 donation will get you a beautiful NARFE-PAC pin.

QUARTER 1, 2006

• 2006 Officers

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Welcome new members Junnel Stanfield of Savannah, John McIntyre of Savannah, Linda Hamm of Selmer, Amelia Diane Gobbel of Waynesboro, Clara McCullar of Selmer, and Kendall Summers of Ramer! Hope to see you soon.

Why You Should Consider Dues Withholding

NARFE has in the past and continues to concentrate on protecting your benefits but needs your support. The more members we have the better our representation. You can support NARFE by renewing your membership when you receive your dues renewal notice.

Renewing retirees have the opportunity to receive a reward annually when choosing to have dues deducted monthly from your annuity. It is a financial incentive and a win-win program. The renewal under dues withholding will cost you \$24.60 per year instead of \$33 (plus our chapter dues of \$10).

Switching to dues withholding is smooth, you won't receive further dues

notices, and you can withdraw from the plan for any reason. But you must act when you receive your dues renewal notice since it takes 60 to 90 days to place members on dues withholding with the Office of Personnel Management. Any delay will not affect your membership.

You'll find a dues withholding application in every NARFE magazine and in your dues renewal notice as well. Long ago, the frugal Benjamin Franklin said, "A penny saved is a penny earned." It still is. Go on dues withholding when you receive your dues notice. A penny saved

The Federation Convention is in Clarksville April 17 and 18. During registration on Monday, fun and interesting seminars/presentations/entertainment will be going on from 1 PM to 5 PM—if everyone enjoys this revised format, it will be continued at future conventions. Please consider attending. Albuquerque, NM, plays host in 2006 to NARFE's 29th Biennial **National Convention**. We hope you will join us September 10-14 at the Albuquerque Convention Center. It's not too early to make your travel plans. The theme of this year's convention is "Look to the Future...Learn From the Past," signifying that delegates will once again make decisions that will have an impact on the Association for years to come—building on the base created by previous conventions.

Government's 'Fair Share' *By Retirement Benefits Service Department*

Are you interested in knowing how the government's share of the premium for our health plan is calculated? For contract year 2006, the government's share does not equal 72 percent of the total premium, which is often cited as the percentage called for by law. This is from OPM's FEHBP Handbook. It explains how the government's share and the enrollee's share of the premium are calculated for the various health plans in the FEHBP.

"Generally, if you are a Federal employee or annuitant, you share the cost of your health benefits coverage with the Government as your employer. Temporary employees enrolled under 5 U.S.C. 8906(a), former spouses enrolled under spouse equity provisions, and most persons covered under temporary continuation of coverage (TCC) do not receive a Government contribution towards the cost of their health benefits."

Government's Share

"The Government's share of premiums paid is set by law. Amendments to the FEHB law under the Balanced Budget Act of 1997 (Public Law 105-33, approved August 5, 1997) authorized a new formula for calculating the Government contribution effective with the contract year that begins in January 1999. This formula is known as the 'Fair Share' formula because it will maintain a consistent level of Government contributions, as a percentage of total program costs, regardless of which health plan enrollees elect.

"For most employees and annuitants, the Government contribution equals the lesser of: (1) 72 percent of amounts OPM determines are the program-wide weighted average of premiums in effect each year, for self only and for self and family enrollments, respectively, or (2) 75 percent of the total premium for the particular plan an enrollee selects. "OPM must determine the FEHB program-wide weighted average of premiums no later than October 1 immediately preceding each FEHB contract year. The law directs OPM, first, to multiply each health plan premium for the upcoming year by the number of enrollees enrolled in that health plan as of the previous March 31 who received a Government contribution. OPM will then divide the total of premiums associated with self only enrollments and with self and family enrollments, respectively, by the corresponding total number of eligible individuals with each type of enrollment, to derive the weighted average of premiums.

"The Government contribution for eligible employees is paid out of agency appropriations or other funds available for payment of salaries. OPM receives an annual appropriation to cover Government contributions for eligible annuitants."

Government Contribution for Part-Time Employees

"If you are a part-time career employee, the Government contribution toward your health benefits is prorated in proportion to the percentage of full-time service you are regularly scheduled to perform."

Your Share

"During each pay period in which your FEHB enrollment is in effect, you are responsible for paying all premiums in excess of the Government contribution, usually 25 percent of the total premium.

"If your pay (after retirement, FICA tax, Medicare and Federal income tax deductions) will cover the full employee share of your health benefits premiums, the withholding is taken from your salary. Group life insurance withholdings follow health benefits withholdings in the order of precedence set forth in the Treasury Fiscal Manual."

Three very old and very bored grandmas were sitting on a bench outside a nursing home. About then an old man walked by and one of the grandmas said, "Betcha we can guess how old you are." The old man said, "There ain't no way you can guess how old I am." One of the grandmas replied, "Sure we can! Just drop your undershorts and we can tell your exact age."

He did.

The grandmas stared at him for a good while and then they all piped up and said, "You're 87 years old!"

The old man was stunned. "Amazing! How did you guess that?" The grandmas laughed until tears were rolling down their cheeks. Slapping their knees and grinning from ear to ear, all three happily yelled in unison . . .

. . . "You told us yesterday."

Latest Update From NARFE Headquarters

Premium Conversion

Premium Conversion legislation, H.R. 994 and S. 484, has 302 House and 54 Senate cosponsors. NARFE members recruited eight new House cosponsors on Feb. 16.

On February 15th, NARFE President Charles Fallis wrote each Premium Conversion cosponsor who serves on Senate Finance or House Ways and Means, the Committees with jurisdiction for Premium Conversion. Fallis thanked them and urged these 9 Senate and 27 House tax writers to "use your influence on the panel to incorporate Premium Conversion into any legislation designed to create tax incentives for greater health care fairness and efficiency."

(As you probably know, Congressman Marsha Blackburn signed on as a co-sponsor to this bill on December 16. While this doesn't get the bill out of committee, it is at least some progress. A letter is enclosed for you to sign and mail to her, thanking

her for her support and urging that she continue to work on our behalf.)

Postal Service Overhaul

On February 9, the Senate approved legislation to overhaul the business model of the U.S. Postal Service. Passage by voice vote sets the stage for a House-Senate conference committee. Both measures would provide greater rate setting flexibility and relieve USPS of large pension liabilities. The House had passed H.R. 22 on July 26, 2005 by vote of 410-20.

2007 Budget/FEHBP

As reported on the Feb. 7 Hotline, the President's fiscal year (FY) 2007 budget would reduce spending in the Federal Employees Health Benefits Program (FEHBP) by \$3.4 billion over ten years, but does not include proposals to reduce current or future federal civil service annuities.

Health Savings Account (HSAs)

The cost savings appear to be related to the Administration's plan to "... identify options for increasing price competition among the health plans offered to federal employees and retirees..." According to the President's Office of Management and Budget (OMB), the cryptic proposal means that the Administration will recommend legislation that would allow Blue Cross/Blue Shield to offer Health Savings Accounts (HSAs) in the FEHBP.

NARFE has historically opposed the controversial plans because relatively healthy enrollees with higher incomes could be siphoned off into HSAs, causing premiums for comprehensive plans to increase. Such concerns were confirmed by a recent report of the nonpartisan Government Accountability Office (GAO), which found that the average age of FEHBP HSAs enrollees was 46, compared to age 59 for all other enrollees

in 2005. Moreover, 43 percent of actively employed HSA enrollees earned salaries of \$75,000 or more a year, compared to 23 percent of all program enrollees.

In addition, the budget reiterates a plan from previous years to "work with stakeholders to better coordinate the Medicare and the FEHBP programs and follow best practices from the private-sector to ensure high quality, cost-conscious choices for retirees." NARFE continues to be concerned that this language means there is interest in creating separately rated health plans for Medicare-participating retirees and survivors and establishing incentives for retirees to join Health Maintenance Organizations (HMOs) and so-called 'customer-driven' options.

While concerns about the Administration's budget proposals should be shared with lawmakers, NARFE members should save an all out grassroots response for March when instructions could be included in the House and Senate Budget Resolutions to cut federal retirement and health benefits by billions of dollars.

As a Maine trucker stops for a red light, a blonde catches up. She jumps out of her car, runs up to his truck, and knocks on the door. The trucker lowers the window, and she says, Hi, my name is Heather, and you are losing some of your load! The trucker ignores her and proceeds down the street.

When the truck stops for another red light, the girl catches up again. She jumps out of her car, runs up and knocks on the door. Again, the trucker lowers the window. As if they've never spoken, the blonde says brightly, Hi, my name is Heather, and you are losing some of your load!

Shaking his head, the trucker ignores her again and continues down the street. At the third red light, the same thing happens again. All out of breath, the blonde gets out of her car, runs up, knocks on the truck door. The trucker lowers the window. Again she says, Hi, my name is Heather, and you are losing some of your load!

When the light turns green the trucker revs up and races to the next light. When he stops this time, he hurriedly gets out of the truck, and runs back to the blonde. He knocks on her window, and as she lowers it, he says, "Hi. My name is Kevin. It's winter here in Maine, and I'm driving a SALT TRUCK!"

Miss Edna, we miss you and hope you are able to be up and running again soon.

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One summer evening during a violent thunderstorm a mother was tucking her small boy into bed. She was about to turn off the light when he asked with a tremor in his voice, "Mommy, will you sleep with me tonight?" The mother smiled and gave him a reassuring hug. "I can't dear," she said. "I have to sleep in Daddy's room." A long silence was broken at last by his shaky little voice: "The big sissy."

The Concert

When the house lights dimmed and the concert was about to begin, the mother returned to her seat and discovered that the child was missing. Suddenly, the curtains parted and spotlights focused on the impressive Steinway on stage. In horror, the mother saw her little boy sitting at the keyboard, innocently picking out "Twinkle, Twinkle Little Star."

At that moment, the great piano master made his entrance, quickly moved to the piano, and whispered in the boy's ear, "Don't quit. Keep playing." Then, leaning over, Paderewski reached down with his left hand and began filling in a bass part. Soon his right arm reached around to the other side of the child, and he added a running obbligato.

Together, the old master and the young novice transformed what could have been a frightening situation into a wonderfully creative experience. The audience was so mesmerized that they couldn't recall what else the great master played. Only the classic, "Twinkle, Twinkle Little Star."

Perhaps that's the way it is with God. What we can accomplish on our own is hardly noteworthy. We try our best, but the results aren't always graceful flowing music. However, with the hand of the Master, our life's work can truly be beautiful.

The next time you set out to accomplish great feats, listen carefully. You may hear the voice of the Master, whispering in your ear, "Don't quit. Keep playing."

Remember, God doesn't seem to call the equipped, rather, He equips the 'called.' Life is more accurately measured by the lives you touch than by the things you acquire. May God bless you and be with you always! And remember, "Don't quit. Keep playing."