



NARFE NEWSLETTER

GREATER BOWIE-CROFTON AREA

CHAPTER 1747

National Active and Retired Federal Employees Association

Volume 31, No. 7

www.NARFE1747.org

March 2011

GENERAL MEMBERSHIP MEETINGS are held at Bowie City Hall (2614 Kenhill Drive, Bowie) on the third Thursday of the month at 10:00 AM in Conference Room 204. There is never a charge to attend and all meetings are open to the public.

EXECUTIVE BOARD MEETINGS are held the first Thursday of the month at 10:00 AM in Conference Room 125, Bowie Senior Center. All chapter members are welcome.

NOTE: Chapter meetings are cancelled when Prince George's County schools are closed due to inclement weather. Otherwise, meetings are held as scheduled.

COMING ATTRACTIONS

- ❖ *General Meeting.* Thursday, March 17, Mr. Gene Sumi from Homestead Gardens will discuss gardening methods.
- ❖ *General Meeting.* Thursday, April 21, Attorney Jacqueline Byrd will discuss topics in Senior Law.

PRESIDENT'S MESSAGE

Dorothy Campbell

MD-Fed Convention Update

As you're-reading this, there are less than two months to go before the Federation's 2011 Convention being held May 2-3 at the Comfort Inn in Bowie. Things have heated up for many people in the Federation and us too—because as I'm sure you know, Chapter 1747 is the "host chapter" for the event. Some of us have been involved with both planning and activities such as seeking commercial sponsors, soliciting door prizes from merchants, publicity, assigning volunteers to specific duties, rounding up exhibitors, and even deciding on decorations for the banquet tables.

And it's coming together very well. A great many chapter members have volunteered to help with a variety of tasks before and during the convention—and all have received their assignments. The impressive response to my call for convention workers/delegates has even provided, in some cases, alternates for the alternates—so I'm not recruiting any more people to "work."

Be a Delegate for 1 or 2 Days!

However, there's still room for delegates. Based on our membership, Chapter 1747 is entitled to have more than 30 delegates seated and, of course, we can also have alternate delegates. Except for voting for officers or on some "money issues" where I will cast our chapter's votes, each and every delegate will have the right to speak and the right to vote. Therefore, at the March 19 membership meeting, the official convention registration forms will be available for anyone who would like to attend the convention as a delegate.

NOTE: Even if you signed a volunteer form, you must fill out an official registration form and attach to it a check for \$40 made payable to Maryland Federation of Chapters, NARFE. The \$40 registration fee includes a luncheon each day and all materials. The registration fee for one day is \$25; it includes lunch and materials.

Why You Should Attend

The convention is a great opportunity for chapter members to not only see the Maryland Federation of Chapters in action—but to be part of its decision-making process. It's a time to conduct business and address matters of importance to NARFE members. It's an opportunity to hear top-notch speakers. It's exhibits and fun events, 50/50 drawings and door prizes. And on Monday evening, it's an occasion to socialize at a reception and banquet. Banquet reservations must be made through me and prepaid with a check made out to the Maryland Federation of Chapters for \$45 per person; meal selections (write choice on check) are London Broil, baked Salmon and a Vegetarian meal.

Both registration forms and banquet reservation forms (with appropriate checks attached) should be forwarded to me so that I can submit them to the Federation treasurer before March 31.

Thanks to Other Volunteers

My usual kudos to volunteers this month go to those who got our most recent newsletters out: Louise Cole, Rick Beach and Lee Tuvesson. Thanks also to sergeant-at-arms Peter Hill and those who now jump up to help pass out materials at meetings. And a special commendation to Lucy Dobson, whose quick action, a Heimlich maneuver performed on a choking holiday luncheon guest, was undoubtedly a life-saver. Thanks to you all.

FEDERAL LEGISLATION

Joseph Young

Why the sudden increase in the Federal withholding?

Like many Federal retirees, I received an annuity check that was lower than expected due to an increase in the Federal income

tax withholding. This increase of the withholding tax comes on top of no cost-of-living adjustments for two years, higher health insurance premiums, and higher food prices.

On Thursday, February 10, 2011, the IRS posted information on "Why Employees and Retirees May See Changes in 2011 Payments and Withholding." The IRS stated:

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, enacted on December 17, 2010, included several changes impacting workers' take-home pay and retirees' net pension checks for 2011. The Tax Relief Act extended for two years the income tax rates that were scheduled to expire at the end of 2010; that extension prevented a large increase in federal income tax withholding.

However, the new law did not extend the Making Work Pay (MWP) credit that had been available for tax years 2009 and 2010. While most workers qualified for the maximum MWP credit, pension recipients did not qualify for any MWP credit unless they also had wages or other earned income.

In December 2010, the IRS published new federal income tax withholding information to reflect the impact of the Tax Relief Act. The fact that the MWP credit expired, by itself, would have resulted in increased withholding for most taxpayers. However, under the Tax Relief Act, withholding for social security tax for all wage earners was reduced from 6.2% to 4.2% (withholding for Medicare, at 1.45%, did not change). For most employees, the net effect of these two changes will result in less total tax being withheld from their checks. The social security tax reduction does not affect pension payments.

Due to the late enactment of these tax law changes, the IRS asked employers and plan administrators to adjust their systems as soon as possible but not later than January 31, 2011. This means employees and pension recipients may not have seen the full impact of these changes until their first paycheck in February, 2011.

Once employers implement the changes, there will be a net increase in take-home pay for most employees (excluding the impact of any other withholding amounts, such as withholding for health insurance, state income taxes, etc.).

Once pension plan administrators implement the 2011 changes, the retirement check payments for some pensioners may be lower depending upon the method that their plan administrators used to calculate withholding in 2010. Because the MWP credit did not apply to pensioners, the IRS published a table for 2009 and 2010 giving plan administrators the option of increasing withholding for their pension recipients. Not all plan administrators made the optional adjustment and instead allowed pensioners to make the adjustment when they filed their tax returns. Since the 2011 withholding tables do not reflect the expired credit, pension recipients in this situation are likely to see the withholding for their 2011 pension payments increase by approximately \$7 to \$50 per payment, depending on filing status, the amount of the payment, and how often the payment is made.

IRS encourages both employees and pensioners to review their withholding every year using the withholding calculator on **IRS.gov** and, if necessary, fill out a new W-4 or W-4P form and give it to their employer or pension plan administrator.

Health Care Changes Effective Jan. 1, 2011 and Later: Part Two

Discount of 50 percent on drugs in the "donut hole"

In 2010, about 4 million senior citizens hit what is known as Medicare's "donut hole"—the coverage gap that begins when you and your drug plan have spent \$2,840 on drugs. Those consumers had to pay the full cost of prescriptions until they incurred \$4,550 in drug costs, which is the end of the coverage gap.

Now, however, seniors who reach the coverage gap will receive a 50 percent discount when buying Medicare Part D-covered, brand-name prescription drugs. If you use generic drugs, you will receive a seven percent discount after you've entered the donut hole. Over the next 10 years, seniors will receive additional savings on brand-name and generic drugs until the coverage gap is closed in 2020.

Worried that you'll never get out of the donut hole if you're paying 50 percent less? The law takes that into account: Although you will pay only half price for the brand-name drug, the entire drug cost will count toward the amount you need to qualify for catastrophic coverage.

Flexible Spending Account

Beginning January 1, 2011 the costs of over-the-counter medications will only be reimbursed through a Flexible Spending Account (sometimes called "flexible spending arrangements") or a Health Reimbursement Account (sometimes called "health reimbursement arrangements" or "health savings accounts") if these medications are purchased with a doctor's prescription. These restrictions do not apply to the purchase of insulin. The Internal Revenue Service has questions and answers on the new rules for these accounts.

STATE LEGISLATION

Ed Bice

Bills have been introduced in the General Assembly which the NARFE State Legislative Committee (SLC) will support. One of our priority issues, the Annual Tax Credit for Long-Term Care Insurance Premiums, has three bills—HB 562, SB 618, and SB 703. SB 305 and HB 731 concern Income Tax-Combined Reporting. HB 159 and SB 657 address Public Funding and the Small Donor Act for General Assembly Elections. Income Tax-Military Retirement is covered by SB 190 and HB 774. Finally, HB 775-Income Tax-US Government Employees' Foreign Earned Income provides a subtraction modification on MD income tax of up to \$3500.

This a tough year in Annapolis for passage of bills involving additional monies. You can do your part by writing, e-mailing or calling your Senators and Delegates voicing your strong support for these bills. Go to **www.mlis.state.md.us** and click on contact or find a legislator. The SLC represents you and needs your help to cross the finish line.

Incentives for chapter members to go to Annapolis and attend bill hearings are in place for 2011. They include \$5.00 reimbursement to those with receipts from parking at the Navy-Marine Stadium and \$35.00 for each chapter every time 3 or more chapter members attend a hearing.

PROGRAMS

Howard Dobson

March 17 Mr. Gene Sumi from Homestead Gardens will discuss gardening methods and tips.

April 21 Attorney Jacqueline Byrd will discuss current topics in senior law.

May 19 Ted Jensen, President of the Maryland Federation of NARFE Chapters, will brief our members on issues before the federation.

CHAPTER 1747 BUDGET REPORT

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|------------------------------|-----------|
| Balance on: January 1, 2011 | \$3472.48 |
| Receipts: | 510.20 |
| Disbursements: | 460.84 |
| Balance on: January 31, 2011 | \$3472.48 |

One sharp-eyed reader caught two typographical errors in February's budget report. The balance on December 30 (which should have read December 31) was incorrect; it should have been \$34772.48.



"R" for Jessica Forman Tho' Far Away, She Brings Us Together

When Chapter 1747 member Jessica Forman and husband Michael moved from Bowie to South Carolina nearly two years ago, she volunteered to stay on as Newsletter Editor—and we all should be glad she did. Connected by technology and using her computer skills, Jess for ten months every year continues to take the e-mailed articles of chapter officers and deftly fashions them into the best form of communication the chapter has to reach every one of our members.

Those of us who regularly work long-distance with Jessica know how much time and effort she donates to our publication; without her, and technology, you wouldn't be reading this right now!

So thanks Jessica—you certainly have earned your chapter's "R for Recognition!"

If you know a chapter member who deserves recognition for a special contribution to Chapter 1747, contact President Dorothy Campbell. And while Jessica Forman has promised to continue as newsletter editor, it would be advantageous to have a backup for her, and a proofreader to work with her. The only requirements: a computer/e-mail, and "eagle eyes." If interested, contact President Campbell.



WELCOME NEW MEMBERS

Deborah Jean Blue
Joseph Browne
Hinton A. Crockett
Deborah I. Forbes
Paul A. Gottlieb

Rechelle I. Jenkins
Dora Montelongo
Paul E. Morales
Joy M. Ragsdale
William R. Solomon

Chapter members: We need to recruit.. Of the 10 new members above, only one was recruited by a chapter member. Ten members were dropped and two passed away. But one bright note: four dropped members paid up and were reinstated.

Good News: Member Jacqueline Wilson has agreed to head our Membership Contact Subcommittee—and can use some help. Subcommittee members will be calling those who have not responded to second notices that their dues are due; they also will call dropped members. Previously, Jackie had made similar calls and we welcome her assistance again. If you can help make a few phone calls or send e-mails—both are more effective than letters when urging members to keep their dues current or get reinstated. Interested? Contact President Campbell. (*Next month: Save money on dues: sign up for dues withholding.*)

CONDOLENCES

The following chapter members passed away recently. Our prayers and sympathy go out to their families and friends.

Jesse A. Poole

Charles R. Young (*Life Member*)

DAYS TO REMEMBER

March 9 – Ash Wednesday

March 13 – Daylight Saving Time Begins (clocks ahead 1 hour)

March 17 – St. Patrick's Day

To contact Maryland Delegates and Senators call 301-858-3000 or visit the NARFE web site: www.mdnarfe.org

To reach the Governor call 1-800-811-8336 or visit the web site: www.gov.state.md.us/mail

Greater Bowie-Crofton Area NARFE News

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Vol. 31, No. 7

Dues payments, gifts, and contributions to NARFE are not deductible as Charitable Contributions for income tax purposes.

CHAPTER BOARD

Elected Officers

| | | | |
|---------------------|------------------|--------------|-----------------------|
| President | Dorothy Campbell | 301-464-6372 | Dcbowie@aol.com |
| 1st Vice President | Howard Dobson | 301-809-1645 | hrd789@aol.com |
| 2nd Vice President | Vacant | | |
| Secretary | Lillie Watson | 301-262-5926 | lwatson16@hotmail.com |
| Treasurer | Bob Cullen | 301-262-4783 | ba3537@aol.com |
| Assistant Treasurer | Louise Cole | 410-672-6528 | col9135@aol.com |

Committee Chairs

| | | | |
|---------------------|------------------|--------------|--------------------------|
| Federal Legislation | Joseph Young | 301-218-5187 | JosephYoung48@yahoo.com |
| Membership | Lillie Watson | 301-262-5926 | lwatson16@hotmail.com |
| Newsletter | Jessica Forman | 843-347-9287 | jessicaforman@yahoo.com |
| Programs | Howard Dobson | 301-809-1645 | hrd789@aol.com |
| Public Relations | Dorothy Campbell | 301-464-6372 | Dcbowie@aol.com |
| Service Officers | Bob Cullen | 301-262-4783 | ba3537@aol.com |
| | Paul Schuette | 301-262-0975 | paulschuette@verizon.net |
| | Lee Tuveson | 301-262-3164 | ltuveson@verizon.net |
| State Legislation | Ed Bice | 301-464-3748 | DE3637@verizon.net |

Activity Coordinators

| | | | |
|-------------------------|------------------------|--------------|-----------------------|
| Alzheimer's Fund | Maria Francer | 240-245-4328 | |
| Community Events | Ed Bice (Bowie) | 301-464-3748 | DE3637@verizon.net |
| | Louise Cole (Odenton) | 410-672-6528 | col9135@aol.com |
| | Donna Minner (Crofton) | 410-721-9799 | |
| Meeting Sign-In/Greeter | Mary Catloth | 301-390-2206 | mcatloth@aol.com |
| NARFE-Net Coordinator | Howard (Flash) Gordon | 301-464-2745 | flash@acm.org |
| NARFE-PAC | Ed Bice | 301-464-3748 | DE3637@verizon.net |
| Photographer | Frank Lee | 410-672-5065 | fllee0716@verizon.net |
| Refreshments | Jack Calloway | 301-262-3457 | |
| | Dave Galliard | 301-262-7261 | |
| | Tom Page | 301-262-3418 | |
| Sunshine | Marjorie Laios | 301-262-1566 | |

Thursday, March 17, 2011
Garden Tips and Tricks by Mr. Gene Sumi