



NARFE NEWSLETTER

GREATER BOWIE-CROFTON AREA CHAPTER 1747

National Active and Retired Federal Employees Association

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May 2012

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GENERAL MEMBERSHIP MEETINGS are held at the Bowie Senior Center, 14900 Health Center Drive, Bowie, 20716 in Rooms #2-4. Meeting dates are the third Thursday of the month at 10:00 AM except in July and August. There is never a charge to attend and all meetings are open to the public. Please check your current newsletter for any changes.

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, May 17. Update on State Legislature Action.

❖ **General Meeting:** Thursday, June 21. Biennial Picnic, Thursday, June 21, 2012 . 11:30 AM, East Pavilion, Allen Pond Park, Bowie.

PRESIDENT'S MESSAGE

DOROTHY CAMPBELL

May: Our Chapter's Busiest Month

At press time, 22 officers and members had signed up to represent our chapter at the 2012 MD Federation's Mini-Convention at Bowie's Comfort Inn. Some will be there April 30 and May 1 in their roles as chapter officers and activists in the Federation, while others volunteered to staff tables. But all will experience an interesting two days. All look forward to the agenda's highlights: speakers U.S. Rep. John Sarbanes from MD's 3rd Congressional District and Bill Broadwater, one of the original Tuskegee Airmen. Of course, the plenary sessions will deal with NARFE business, including legislation, membership, NARFE use of electronic communications, the upcoming national convention and more. In addition, they'll enjoy camaraderie, good food and great door prizes. My thanks to all who take part.

More Activities: More 'New Faces' Needed

May will keep getting busier for Chapter 1747 members as we participate in the following:

Friday, May 18: Bowie Senior Center Information Fair

Saturday, May 19: Crofton Annual Armed Forces Day/
Homeland Security Parade

Saturday, May 26: Bowie Memorial Day Parade

Monday, May 28: Bowie Annual Wreath-Laying Ceremony at Veterans Park.

These are community-related events that our chapter takes part in every year, but always with the same few chapter members and officers representing our entire membership. Each year though, we try to encourage more members to participate, knowing that these activities offer not just a chance for our organization to show its patriotism and pride, publicize our organization and recruit new members — but because the activities are enjoyable as well. If you have a little time to spare on any of these days and would like to take part, please contact me or another officer for more information.

Note to Veterans: The parades and wreath-laying ceremony are held to honor all those who have served our country. Wear your old uniform, or just don your service cap, and share in the parade/ceremony that salutes you too.

Last, but not least, our biennial picnic will be on Thursday, June 21; you can read about it on page 3. As always, it will feature great food and good company and (we hope) good weather.

OOPS: About the Theater Ticket Raffle

In the last issue, we forgot to give you the following information about the raffle for Bowie Playhouse tickets: All proceeds from the raffle will go into the Chapter's treasury. And if you haven't bought your raffle tickets yet, they can be purchased at our May meeting and even at the picnic — where the drawing will take place. The winner need not be present at the drawing to win.

The Last Word: As always, we're seeking people to help the chapter; right now, we're one of NARFE's lucky chapters, with all our officer and committee chair and activity coordinator positions filled. But we still need committee members and people to work on special projects and help out with small tasks that don't demand much time. In the works too is a new and exciting project that will need your help to make it work. So, if you're ready to pitch in, call me. I've got a short "wish list" that I'd like to see fulfilled.

FEDERAL LEGISLATION

JOSEPH YOUNG

President Obama Signs a Transportation Extension Bill

On Friday, March 30, 2012, President Barack Obama signed a three-month extension of a transportation bill to keep federal highway and transit aid flowing. This move by the President was necessary to avoid a widespread shutdown of construction projects.

The short-term transportation bill was passed by the House on Thursday, March 29, 2012, largely along party lines. The Senate approved the House's extension by a voice vote a few hours later.

However, the stop-gap measure delays a vote in Congress on more comprehensive transportation bills in both the House and Senate that included changes to federal retirement benefits.

Without the action taken by the President, Democrats estimate that as many as 1.8 million construction-related jobs would be at risk just as states are preparing for the spring and summer construction season. The government could also lose about \$110 million a day in uncollected gas and diesel taxes.

Earlier this month, the Senate passed its version of a highway funding bill in a rare show of bipartisanship.

Federal Retirement Changes in Both House and Senate Plans

Provisions affecting federal employees' retirement structure were placed into both chambers' transportation funding bills.

The House's five-year transportation bill H.R.7 would increase federal employees' pension contributions by 1.5 percent phased in over three years. Currently, federal workers contribute 0.8 percent of their paychecks toward their pensions and their agency contributes 11.7 percent. This change would apply to current employees.

For those employees hired after Dec. 31, 2012, and have less than five years of federal service, H.R. 7 would introduce a new pension formula. The formula would calculate annuities based on the highest five years of salary instead of the highest three years. Also, the contribution for these new employees would be 4 percent.

An amendment to that bill would allow retirement-eligible federal workers to work part-time while beginning to draw on their annuity. However, a proposed amendment to freeze federal pay through 2013 was struck down by the Senate.

The Senate's version also included a provision to extend, back to Jan. 1, a tax break that allows commuters to deduct as much as \$240 a month for mass transit.

"Buffett Rule" Legislation Is Blocked

Senate Republicans on Monday, April 16, 2012 voted to block the advancement of "Buffett Rule" legislation, offering Democrats more justification to label the Republican party as the protectors of America's wealthiest earners at the expense of the middle-class.

"Republicans in Congress would rather end Medicare as we know it and slash education funding than ask the richest of the rich to contribute even a penny more," Senate Majority Leader Harry Reid (D-Nev.) said during a Senate floor speech.

Senate Democrats failed to get the 60 votes required to advance the "Buffett Rule" legislation requiring those earning at least \$2 million per year to pay an income tax rate of at least 30 percent. That rate increase would be phased in for those making \$1 million or more under the proposed legislation.

OUR ACTIVE CONNECTION

LEE TUVESON

TSP ROTH Option

In the coming months Federal employees who maintain a Thrift Savings Plan (TSP) account will have an option to make ROTH contributions to their account. However, you will pay taxes on them as they go into your TSP account. This is very different from traditional pre-tax TSP contributions, which come out of your pay before your income taxes, but which are taxed (along with their earnings) at withdrawal. ROTH contributions, when withdrawn, will be tax-free. The earnings on ROTH contributions will also be tax-free, as long as you meet certain IRS requirements*.

There are only two ways to put money into a ROTH TSP account:

- From your future pay -- you'll notify your agency or service that you want to make ROTH contributions, or
- Transfer ROTH money into your account directly from eligible plans (ROTH 401(k)s, Roth 403(b)s, or Roth 457(b)s only).

You will not be able to transfer money into the TSP from ROTH IRAs. Also, you will not be able to convert money that is already in your TSP account into ROTH money. Along the same lines, agency automatic and matching contributions will always be traditional, tax-deferred contributions, even if your own contributions are only ROTH. You will not be able to convert any agency traditional contributions into ROTH contributions.

Below is an eligibility summary chart.

Participant Group	New Roth Contributions	Roth Transfers into TSP from eligible plans
Active Employees		
FERS	Yes	Yes
CSRS	Yes	Yes
Uniformed Services	Yes	Yes
Separated employees	No	Yes
Retirees	No	Yes
Beneficiary Participants**	No	No

* Roth earnings will be tax-free if 5 years have passed since January 1 of the year you made your first Roth contribution AND you are age 59½, permanently disabled, or deceased.

** Beneficiary participants may not add new Roth contributions to their accounts, but their accounts may contain Roth contributions made by the deceased spouse.

Check with your agency benefit office or personal financial advisor for further details if you are interested in this option.

Chapter 1747 Picnic Menu

Thursday, June 21, 11:30 AM, East Pavilion, Allen Pond Park, Bowie



Pulled Pork Sandwich, Bourbon Beef Brisket Sandwich,
and 1/4 Barbequed Chicken

Potato Salad, Cole Slaw, Barbequed Baked Beans
Rolls, Butter, Fruit Salad, Cake
Water and a variety of sodas

Cost: \$18.00

Sign up at the Chapter meeting May 17, or contact Lee Tuveson at
301-262-3164 or E-Mail to ltuveson@verizon.net

Reservations **MUST** be made and **PAID FOR** by Monday, June 18

STATE LEGISLATION

Ed Bice

Opportunity in the Event of a Special Session to Equalize Tax Exemptions for MD Seniors

Maryland's General Assembly failed to reach final agreement on two portions of the state budget on April 9th — the last day of the 2012 Legislative Session. While they were able to pass both an operating and capital budget, they did not pass two associated bills — the Budget Reconciliation and Financing Act and the State and Local Revenue and Financing Act which activates a clause in the budget bill that will implement the so-called "doomsday budget" and would lead to half a billion dollars worth of cuts. A late-moving gambling bill led to the legislature's failure to pass a tax package both chambers had negotiated. Senate President Miller and Speaker Busch have different versions of who is to blame for the failure to have a gambling bill considered by the House in a timely manner.

In the NARFE 2012 State Legislative Program brochure the following priority issue is addressed: "EQUALIZE TAX EXEMPTIONS FOR MARYLAND SENIORS. In the 2007 Special Session of the General Assembly the special exemption that a taxpayer could claim for an elderly (65 or older) **non-spousal dependent** was increased to \$3200. The special exemption for **elderly taxpayers and their spouses** by contrast, remains at \$1000, unchanged for over 20 years. We see no justification for this inequitable treatment."

A Special Session may be required to enact tax increases to fund approved programs. This session could focus on means-testing of exemption amounts. If so, it would be an excellent time to remedy the special exemption problem affecting MD's seniors. This correction has been a MD NARFE objective championed by the State Legislative Committee (SLC) for a number

of years. The advantage of moving forward on it now is that the correction could be made while adjustments occur to other exemption amounts. The SLC is asking chapter members to contact their legislators to urge them to fix this equity issue in the event of a special session that may be convened shortly.

CHAPTER 1747 BUDGET REPORT

Balance on: March 1, 2012	\$3599.24
Receipts:	501.13
Disbursements:	238.66
Balance on: March 31, 2012	\$3861.71

DAYS TO REMEMBER

May 13	Mother's Day
May 19	Armed Forces Day
May 28	Memorial Day observed

Greater Bowie-Crofton Area NARFE News

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

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Remember! Our May meeting is at the Bowie Senior Center!

Thursday, May 17.

State Legislature Update

Thursday, June 21.

Annual Picnic Lunch