



2011 OFFICERS and CHAIRS

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|--------------------------------|----------------|--------------|
| President | Tom Huntzinger | 785-766-6717 |
| 1 st Vice President | Roger Lemmons | 785-840-9594 |
| 2 nd Vice President | Elaine Seeman | 785-331-2280 |
| Secretary | Dianne Throop | 785-841-1408 |
| Treasurer | | |
| Membership | Betty Scribner | 785-865-8235 |
| Service | Wanda Lyon | 785-764-2210 |
| Public Relations | Gordon Montney | 785-760-0595 |
| Newsletter | Wendy Hambly | 913-845-0121 |
| NARFE PAC | Linda Surritte | 785-856-0558 |
| NARFE Net Coor | | |
| Alzheimer's Chair | John Scott | 785-542-3510 |
| Legislative Chair | John Surritte | 785-856-0558 |
| Sunshine | Reba Bryant | 785-843-4407 |

KUDOS & THANK YOU'S TO:

☆ **Betty Scribner for her ongoing recruiting efforts. Congrats for increasing Chapter 378's membership!**

---Report deserving members to Wendy Hambly---

LEGISLATIVE John Surritte

Correction: The January Chapter newsletter stated: "Health insurance premiums have increased 120% over the past 10 years." The actual percentage as of 2010, is 200%.

Remember to access the NARFE website Legislative Section for the latest information on political activities. jfsurritte@hotmail.com

MEMBERSHIP CHAIR Betty Scribner

Welcome to Charles Skelton, a new member.

The 2010 membership summary is as follows: 14 new, 6 transfers from other chapters; 9 dropped, 7 of which were reinstated; 3 transferred to other chapters, and 4 deaths. Nationally, NARFE lost 10,000 members. The current national membership is 305,426.

A membership application is available online at www.narfe.org or contact me at 785/843-7481 or Email: elisabethscribner@yahoo.com.

SUNSHINE CHAIR Reba Bryant

A card was sent to Jim Turrentine, recovering from knee surgery.

Please continue to let me know about illness, special birthdays, celebrations, or honors our members receive, so I can send an appropriate card. Email: rebabryant@sbcglobal.net

VACANCIES

The Chapter still needs a Treasurer and a Net Coordinator. Contact Tom Huntzinger if interested.

February 16th MEETING INFORMATION

Meet at Conroy's Pub. The program at noon, lunch (\$10) at 12:30, followed by a business meeting. February's speaker is Tom Kern, of the Lawrence Chamber of Commerce. Jack Jewell, of the Douglas County Historical Society, will speak in March.

JANUARY 19th MEETING RECAP

Pam Maxwell reviewed Blue Cross Blue Shield policies and explained how BCBS works with Medicare. See NARFE.org for more information.

Elaine Seaman arranged for Conroy's to provide 3 lunch choices and add pop as a beverage choice for \$10. At this time, the Lawrence Country Club may be used for a special event.

UPCOMING EVENTS

1) **Meet and Greet** the City and School Board Candidates. Free State Chapter 378, is a member of the Voter Education Coalition, which is sponsoring this event February 12, 2011, at Pachamama's, 800 New Hampshire. It begins about 9:30 am, after the Lawrence Chamber Eggs & Issues. Ten candidates are vying for seats on the Lawrence school board. Five are running for the City Commission.

2) **Candidate Forum**, a voter education event, will air on Public PPV sometime in mid-March. More information as it becomes available.

Ann Gardner, Editorial Page editor for the Journal World, volunteers to moderate these events for The Voter Coalition. NARFE and other Coalition members can submit written questions prior to the Forum.

3) **KANSAS FEDERATION CONVENTION April 10-12, Junction City, KS.** Consider being a delegate. More info next month.

ALZHEIMER'S FUND John Scott

Free State Chapter 378's 2010 contributions of \$2256.00 resulted in a \$21.08/member average, making Chapter 378 the 2nd highest-per-member donor in 2010 of all the NARFE Kansas Chapters.

Linda Surritte reminds members that items are needed for the Alzheimer's auctions at the NARFE State Convention on April 10-12th. Bring items with a minimum value of \$5 to the March meeting. Linda will delivery them to the Kansas Federation Convention. Last year, the Chapter's donated items brought \$125 at the auctions.

NATIONAL SAVES MONEY

- 1) In March, NARFE will go paperless by sending electronic Chapters and Federations reports.
- 2) Chapters and Federations avoid fees if they have Direct Deposit of checks from National.

NARFE RECOMMENDS

The time to Meet Congress is NOW. Being among the very first to meet with new and returning Members of the 112th Congress will distinguish NARFE members from the thousands of groups represented in Washington ... Most of the 95 new Members of the House and 16 new Senators have had little exposure to the federal civil service. Chapter and federation outreach resulting in individual or group meetings should cover income security and health security issues. NARFE's toll free number for the Capitol switchboard, 1-866-220-0044, can be used to reach any Representative or Senator. Review the NARFE's talking points of the Fiscal Commission's proposals to cut federal retirement, pay and health benefits and provide a copy to your congressional delegation or their staff. The *Talking Points* are on the NARFE web site, selecting Legislation, Legislative publications. December 10, 2010

The final report of the National Commission on Fiscal Responsibility and Reform (NCFRR) proposed to cut federal civilian retirement and health benefits, freeze federal pay and reduce the federal workforce by 10%. The NARFE is concerned that while the commission report failed to garner the necessary votes for immediate action, these proposals could receive serious consideration in the 112th Congress (2011-2012).

NARFE objects to the following points in the final report of the (NCFRR):

- 1) Proposed reductions to federal civilian retirement that is fully funded and actuarially sound.
- 2) Proposal in the co-chairs' final report to create a "Federal Workforce Entitlement Task Force" to make recommendations to Congress to cut federal civilian and military retirement benefits by \$70 billion over 10 years via suggested options of
 - a) Retirement annuities based on employee's high 5 years rather than high 3.
 - b) Requiring workers to contribute a higher share of their salary toward their defined-benefit annuity.
 - c) Deferring CSRS cost-of-living adjustments (COLAs) until age 62.
 - d) Require federal employees and annuitants to pay an increasingly higher share of Federal Employees

Health Benefits Program (FEHBP) premiums by limiting growth of the government/employer share to the Gross Domestic Product (GDP) plus 1 percent. e) Use the so-called "Chained" Consumer Price Index for All Urban Consumers (C-CPI-U) to set COLAs for Social Security (and other indexed benefits) has been estimated by the Congressional Budget Office to lower Social Security benefits by 3% after a 10-year period and would likely result in a similar reduction to federal civilian and military retirement COLAs. Rather than adjust the COLA to reflect the disproportionately higher health care costs paid by older Americans, the co-chairs' proposal to use the C-CPI-U would further erode federal annuitant inflation protection.

Ask your congressman if Federal/Postal workers and annuitants can count on him/her to defend the integrity of a system that provides compensation and benefits to individuals who have dedicated their careers to public service?

Provide Congressional Staff Members with NARFE contact information: For additional information from the National Active and Retired Federal Employees Association, please contact NARFE at leg@narfe.org or 703-838-7760, x201.

NARFE 2011 LEGISLATIVE TRAINING

The NARFE 2011 Legislative Training Conference is scheduled for Saturday March 5th through Tuesday March 8th, at the Hyatt Regency Crystal City in Arlington, VA. **Registration deadline is Feb. 8th.**

Featured speaker, Thomas M. Davis III, former Congressman from Virginia who chaired the Government Reform Committee in the House of Representatives for 2 terms, has insight into the new 112th Congress. The 112th Congress (2011-2012) and the President face an historic federal deficit, continued high unemployment, the expense of waging war, the pressure 77 million retiring baby boomers will place on Social Security and Medicare, the continued recession and calls to reduce federal spending and the recommendations of the President's Fiscal Commission.

The goal of the biannual conference is to educate NARFE members on the issues facing the federal community, NARFE's legislative agenda, and the overall political process in Washington. Therefore, helping NARFE members become first-class advocates and to conduct advocacy training and grass-roots organization for other members in

their home chapters and federations. More information and Registration is available online. NOTE: *Federations may use 10% funds to send promising leaders, especially emerging and potential federation officers.*

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| SERVICE OFFICER | Wanda Lyon |
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From the NARFE Website: *The CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) increased by 0.2 percent for the month of December 2010. The new CPI-W index figure is now 215.262, which is 0.11 percent below the 2008 third-quarter average of 215.495, which is the base figure for determining the next COLA. The CPI-W figure impacts federal civil service annuities, military retiree annuities, and social security payments because the CPI-W figure is used by the government to measure increases in prices for purposes of automatic cost of living adjustments (COLAs) to those fixed retirement payments. There has been no COLA since 2009.*

Whether there will be an automatic COLA for 2012 depends on whether the average CPI-W for the third quarter (July, August, and September) of 2011 is higher than the highest previous third quarter average, which is the third quarter average from 2008. (Prices declined from 2008 to 2009, and while they rose from 2009 to 2010, they did not return to the 2008 level). If the CPI-W for 2011 is higher than the CPI-W for 2008, that would indicate an increase in the cost of living from what is was in 2008, which determined the previous COLA increase to fixed retirement payments.

(785)764-2210 or lyonden@sunflower.com

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| HIGHER FEDERAL TAX WITHHOLDINGS? |
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Dave Snell, Retirement Benefits Service Dept and Dan Adcock, Legislative Dept., NARFE National Headquarters, emailed on 1/31/11: *In response to your many inquiries:*

While all of the attention recently was on Congress extending the Bush era tax cuts – which happened – a lesser known federal tax credit for employees and retirees that was part of the 2009 Stimulus law was allowed to expire.

The “Making Work Pay” credit expired December 31, 2010, which could mean higher federal tax withholding amounts in monthly annuities/pensions for public and private sector retirees, including federal annuitants. The Internal Revenue Service (IRS) issued a notice in December saying withholding tables for 2011 would no longer

be adjusted for the Making Work Pay tax credit and there is no longer an optional additional withholding adjustment for pensions.

The Making Work Pay credit was created with the passage of the American Recovery and Reinvestment Act, Public Law 111-5, signed into law February 17, 2009 (also known as the Stimulus law). The credit equaled 6.2% of a taxpayer’s earned income up to a total credit of \$400 for individuals and \$800 for joint filers. Last year the IRS asked employers to use the new withholding tables to adjust workers’ take-home pay to account for the new credit as soon as possible emphasizing that employees did not have to fill out a new W-4 withholding form, and that the adjustments would automatically be made based on the 2010 withholding tables. Those withholding tables also affected federal retirement payments. With the expiration of the temporary credit, IRS tax withholding tables have changed for 2011, and many retirees may see an increase in the amount of federal tax being withheld from their monthly annuity payments as a result.

It is important to keep in mind that, like all employers, OPM uses tax withholding tables that are provided by the IRS, and questions about changes to those tables must be referred to the IRS, not OPM.

As a reminder, federal annuitants receiving payments from OPM can change their tax withholding amounts for both federal and state taxes by contacting OPM. Retirees can call OPM at 1-888-767-6738, or make changes using Service Online at www.opm.gov/retire. We would also suggest retirees use the OPM on-line tax withholding calculator at the same site before making a change to their monthly tax withholding to make sure they do not under withhold which could result in paying out of pocket additional federal tax that may be due at the end of the year.

NARFE members who are unhappy about the expiration of the Make Work Pay tax credit should direct their complaints to their own representative and senators. NARFE is consulting with our coalition partners in the Leadership Council of Aging Organizations regarding congressional action on this issue.