
HCFA/CMS

ALUMNI NEWS

SUMMER 2004 (Vol. 10 No. 3)

MESSAGE FROM THE PRESIDENT

Well, we want to start off by wishing everyone the best of the rest of the summer.

The HCFA/CMS Alumni Association has a new telephone number. It is **410-786-3918**.

I am also pleased to be able to report that we continue to have a strong and loyal following with some 416 members, and nearly everyone renewed their membership for 2004 or longer.

In this issue you will find items about the COLA Count, IRAs for children, the CFC Crafts and Gifts Fair (see article inside), Medicare Prescription Drug Discount Cards, GPO and WEP Bills and a study of how vision, dental and hearing benefits provided through the Federal Employees Health Benefits program can be improved. And we again serve up some whimsical pieces with a "Good Short Test," the "Aging Alphabet and "Three Little Cute Ones." There are a host of other items that we hope will also be of interest to you.

And don't forget the Summer Cookout on August 12 at Walt Schauer's home (see details on enclosed flier). The basement is finished and air conditioned, and right off the patio and pool, so don't be stopped by hot weather. Too far away to attend! We'll down a cool one in your honor.

And we are always on the lookout for nominations for the "Whatever Happened To..." column. In fact, we encourage any and all appropriate articles by our members for the newsletter.

I want to wish you all a happy, healthy and prosperous retirement.


William L Engelhardt

HCFA/CMS ALUMNI NEWS

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DUE DATES FOR FUTURE ISSUES

Fall Issue – September 24, 2004
Winter Issue – December 24, 2004

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NEW TELEPHONE NUMBER

The HCFA/CMS Alumni Association has a new telephone number. It is **410-786-3918**. The old number still works for now but soon we will no longer have access to it or voice mail messages left on it. The old number appears on the summer picnic flier because it was already printed before the change. If calling regarding the summer picnic, or for any other reason, please call the new number. Please make a note of the new number for your records. It is also on the cover of the Summer 2004 Member Directory that is included in this mailing, and can be found on page 2 of this and future issues of the HCFA/CMS Alumni News.

NEW MEMBERS

The Association extends a hearty "Welcome Aboard" to the following new members:

Myrna Burrell
James J. Costello
Pat Pierorazio

We now have 416 active members.

NEW MEMBER DIRECTORY

As promised periodically and usually delivered with the Summer issue of the HCFA/CMS Alumni News, you will find a completely new Member Directory enclosed with this issue. It includes up-to-date information for all currently active members. The address, telephone number and e-mail address of the HCFA/CMS Alumni Association is all right on the picturesque cover.

We encourage members to keep us informed of changes so that we can in turn keep everyone up to date. E-mail addresses seem to be particularly subject to change or elimination. And we are happy to learn about new e-mail addresses as members join the wonderful world of cyberspace. Our high tech savvy membership boasts 300 members with an e-mail address, and there may be others that we are not aware of. If you have one and we don't know it, please send us an e-mail or otherwise advise us of it. We'd like to include you when we send out periodic (but infrequent so as not to intrude) messages of interest.

MEMBERSHIP SEARCH

As always, we acknowledge that there are many HCFA/CMS retirees that we have not been able to reach to tell them about the Alumni Association and invite them to join. We continue to ask for your assistance in spreading the message about us to them. If you know of any retiree that is not a member, please let them know about us and tell them how to contact us by telephone, snail mail or e-mail (all of that information can be found on page 2 of this issue). We will be very happy to send, either electronically or via snail mail, anyone the enrollment form and further

information about membership. And Bill Engelhardt says you can always e-mail him personally at wengelhardt@adelphia.net for faster response (as the office e-mail is only accessed weekly).

CANDIDATES FOR BOARD OF DIRECTORS

It will soon be time to begin the process of selecting four (4) members for the HCFA/CMS Alumni Association Board of Directors, for the two-year terms beginning in January 2005. WE ENCOURAGE INTERESTED PARTIES TO BECOME CANDIDATES.

The Board meets six times per year, generally on the second Friday of January, March, May, July, September and November, at CMS Headquarters. The Board consists of seven members. Three members are elected in odd numbered years and four in even numbered years, each member serving a two calendar year term. The Board sets national policy for the organization.

Anyone wishing to become a member of the Board of Directors can say so by calling (410) 786 3918 and leaving a message, or sending an e-mail note to HCFAALUM@cms.hhs.gov, and indicating your name and phone number.

Bill Engelhardt, President, also welcomes telephone calls at his home, (717) 235-0976, and e-mails at wengelhardt@adelphia.net to answer any questions you may have.

SSAEAA

We'd again like to remind members that we do have a link to the Social Security Administration Employee Activities Association (SSAEAA) on our web site. The actual URL for it is "<http://ssaeaa.org>" but you can just click on the link on our page. HCFA/CMS retirees are automatically members of the SSAEAA and are eligible to participate in discount purchases.

COLA COUNT

Through eight months of the counting period to determine the January 2005 federal retiree cost-of-living adjustment, retirees have banked 2.4 percent, following a 0.3 percentage point increase in April and a 0.7 percentage point increase in May in the inflation index used to set that COLA. There are four months left in the counting period.

MEDICARE DRUG DISCOUNT CARD

For federal retirees who are enrolled in the FEHBP there appears to be no benefit to joining the Medicare-Discount Drug Card Program for 2004. FEHBP enrollees have comprehensive, prescription drug coverage available as part of their overall health insurance. The Medicare Discount Card Program does NOT, at present, coordinate with FEHBP health plans. If this

changes for 2005, we can participate in the "Annual Coordinated Election Period" Nov. 15-Dec. 31, 2004. The Legislation section of NARFE's web page, <http://www.narfe.org>, provides good updates on this subject.

GPO & WEP BILLS

Identical companion bills, H.R.4391 and S. 2455, introduced May 19th and 20th, respectively, would establish an alternative formula for the so-called Social Security

Windfall Elimination Provision (WEP). H.R. 4391 has 20 cosponsors, S. 2455 has none. Briefly, the new legislation would use the standard Social Security computation formula to determine benefits based on one's entire career earnings in both Social Security covered employment and non-covered public employment, such as federal service. The final benefit would then be adjusted by the percentage of earnings that were actually covered by Social Security. The current provision reduces one of the multipliers used in the Social Security formula depending on years of "substantial" Social Security service (this year, Social Security-covered earnings of at least \$16,275), yielding a maximum reduction of around \$300 a month. Sponsors said that retirees, especially lower income ones, would come out better under the proposed revised method.

In stark contrast, NARFE supported legislation, H.R. 594 and S. 349, addressing repeal of both the WEP and the onerous Government Pension Offset (GPO) have 299 and 30 co-sponsors respectively.

CFC BOOK COLLECTION AND SALE

The Center for Beneficiary Choices (CBC) is conducting its sixth annual Combined Federal Campaign (CFC) Book Sale during 2004. Thanks to the generous response for gently used books for last year's campaign, a total of nearly 22,000 books were collected from CMS employees and others and \$5,000 was raised.

In central office, new or gently used books will be collected through October. And beginning this year, new or gently used CDs, videos, books on tape, DVDs, etc are also being included. **Retirees are also welcome to submit these items.**

The sales will be held in either late October or early November, probably in the lower lobby of CMS headquarters.

CBC is asking for donations of new or gently used books, books on tape, CDs, DVDs, or videos once again. Between the hours of 7:30 a.m. and 9:30 a.m., Monday through Friday, you may drop off cartons of books at the warehouse (located at the rear of the headquarters complex in Baltimore). Pull up to four large metal doors and honk your horn! The guard will open the

doors allowing you to drive your car inside to the loading platform. The Warehousemen will remove the box(es) from your car and place them in the warehouse.

Also, a bin has been placed in the Central Building lower level (entrance at rear of building) for individual books, books on tape, CDs, DVDs, videos, etc. Too far away to deliver these items, consider shipping them!

And it is possible that some CMS Regional Offices (RO) might also sponsor a CFC Book Sale. We have no information about any such plans but suggest interested RO connected Alumni members might want to check with their appropriate RO to see if such an event is in the offing, or perhaps suggest that it be considered. The event has been a huge success in Central Office over the past five years.

If you have any questions, please call Lillian Lehnert at (410) 786-5463, or e-mail her at LLehnert@cms.hhs.gov.

CFC CRAFTS AND GIFTS FAIR

CMS is also planning a Handmade Crafts and Gifts Fair for the Combined Federal Campaign. The first ever "Handmade Crafts and Gifts Fair" will be held on November 4, 2004 at the national headquarters at the Baltimore Single Site. The purpose of this event is to raise funds for the 2004 Combined Federal Campaign (CFC) and to highlight the talents of our CMS employees and retirees.

CMS employees and retirees who consider themselves to be a craftsperson are invited to participate in this fund-raiser and sell their handiwork. This is a great opportunity to show your creative skills, help CMS staff find one-of-a-kind gifts for the holidays, and of course support the CFC!

Yes, CMS retirees and the family members of CMS employees are also invited to participate (show and sell their work) in this event.

CMS hopes to hear from all of you who weave, knit, crochet, quilt, sew, cross stitch, needlepoint, embroider, macramé, paint, draw, sculpt, illustrate, weave baskets, arrange flowers, take photographs, work with wood, clay, leather, metal, or glass, bead, make jewelry, frame artwork, etc.

We would also like to hear from you if you can spare some time to volunteer at the fair. We will need help setting up the fair and "manning" tables during the fair. Please let Marla Aron or Lorraine Tunis Doo (the event co-chairs) know if you can help out on November 4.

Here are the facts:

1. This event is a fundraiser for the Combined Federal Campaign.

2. Only handmade items made by CMS employees, CMS retirees, or family members of CMS employees may be sold.
3. Craftspeople may not sell imports, antiques, or other non-craft items.
4. Craftspeople are expected to "staff" their own table. Volunteers will be available to "table sit" for brief periods of time.
5. In late August and early September, each craftsperson will be contacted about how to make their \$25 contribution (or more if they prefer) to the CFC. Craftspeople will complete the standard CFC contribution form. Contributors may designate a specific charity on their CFC contribution form (the charity must be listed in the 2004 CFC information booklet). This contribution is tax deductible.
6. Participation will be confirmed upon receipt of the CFC contribution, and the contribution secures a display table and chair for the day of the event. The amount of space needed for your display also will be determined at this time.
7. Craftspeople may keep what they earn from the crafts they sell.
8. Two craftspeople may share a table, but each person will make the \$25 contribution to CFC in order to support the campaign.

Table sizes are 6' x 24" and 6' x 30."

We will contact you to confirm that space is available for you to participate. Then you can use those long days of summer to start building your inventory.

We look forward to working with you toward a worthy cause!

For further information, e-mail Marla Aron at MAron@cms.hhs.gov or telephone her at 410-786-3260. Or e-mail Lorraine Tunis Doo at LDoo@cms.hhs.gov or telephone her at 410-786-6597.

FEHB BENEFITS STUDY

The House has passed a bill (HR-3751) to require a study of how vision, dental and hearing benefits provided through the Federal Employees Health Benefits program can be improved. The study, which the Office of Personnel Management would have to complete within six months of enactment, would have to review coverage currently available through the FEHB, how those benefits could be improved and what types of contracting arrangements might be possible, including contracts on a regional or national basis, and the estimated costs of the benefits, including whether the government should contribute toward such improved benefits or whether enrollees would have to bear the entire cost themselves.

In his "Federal Diary" column of June 22, 2004 in the Washington Post, Stephen Barr wrote:

Congress is taking steps that could lead to improved dental, vision and hearing benefits for federal employees and retirees.

The House yesterday approved, on a voice vote, a bill that would require the Office of Personnel Management to study and evaluate options that could increase insurance coverage for dental, vision and hearing benefits for enrollees in the Federal Employees Health Benefits Program. Under the bill, OPM would have six months to present the study to Congress.

Legislation to address dental benefits also is being drafted in the Senate. Republican and Democratic staff aides with the Governmental Affairs Committee are working on a proposal that could be introduced soon.

The House bill was sponsored by Rep. **Jo Ann S. Davis** (R-Va.), chairman of the House civil service subcommittee, with support from Reps. **Danny K. Davis** (D-Ill.) and **Chris Van Hollen** (D-Md.).

Although the House bill only calls for a study, it marks the first time in years that members of Congress have agreed to consider enhancing dental and vision benefits.

According to a House Government Reform Committee report accompanying the bill, "other health benefits, such as contraceptives, mental health aid and long-term care insurance, have been added to the FEHBP. Today, an overwhelming majority of private-sector plans provide dental and vision coverage. In addition, according to focus groups and a recent survey conducted by OPM, federal employees and annuitants desire better dental, vision and hearing care coverage more than any other benefits."

A key issue facing Congress is how to finance improved benefits, congressional aides and lobbyists said. One idea under consideration is to offer dental and vision benefits through a supplemental program, such as Congress did when it created the long-term care insurance program, where enrollees pay premiums in full. That would maintain existing dental and vision coverage while giving employees the option of improved benefits.

The cost of providing additional benefits has been a concern at OPM. According to testimony at a House hearing in February, OPM froze dental and vision benefits about 1987 because it believed any coverage improvements should focus on hospital, surgical and other key medical benefits. OPM, in general, also has tried to avoid adding benefits to FEHBP that would increase premium costs.

The House bill would require OPM to describe current dental, vision and hearing coverage provided through FEHBP, a description of supplemental plans offered by insurance companies in FEHBP, an assessment of how to provide enhanced benefits and the estimated cost of any changes.

Jo Ann Davis has faulted the government for providing meager dental benefits. Sen. **Susan Collins** (R-Maine), chairman of the Governmental Affairs Committee, also thinks that improved dental benefits are long overdue for federal employees.

Collins "is currently working toward a bipartisan approach that will provide federal employees with meaningful dental options," a spokeswoman said.

YOUTH MOVEMENT

If your children or grandchildren are still in school, with a part-time or seasonal job, they should consider putting their earnings into a Roth IRA. Over time, those accounts can grow surprisingly large.

Currently, up to \$3,000 worth of earnings a year can be put into a Roth IRA. Even though this money is invested with after-tax dollars, it may be a good choice because the youngster's tax bracket is likely much lower now than it will be when he or she retires. A recent tax cut makes the tax bite fairly painless: the IRS probably will take only 10 percent of that money before it goes into a Roth IRA.

On the other hand, compare what your student would lose to taxes with a traditional IRA, where investors avoid taxes now but pay later. For a youngster, the more a traditional IRA grows the greater the tax on the back end. Ultimately, taxes probably will be paid at rates higher than 10 percent.

Withdrawals from a Roth IRA are not taxable after you've had the account for five years and are at least 59 1/2 years old. If investments perform as they have in the past, a few thousand dollars invested in a Roth IRA now, for someone under 20, could become a six-figure account, after age 60.

REAL PROPERTY CHARITY

In recent years, real estate has appreciated substantially. If you want to make a substantial gift to charity, donating real estate may offer several benefits:

Cash-less contributions. Your bank accounts and your investment portfolio can remain intact.

Tax benefits. Assuming you've owned the donated property for more than a year, you can take a current income tax deduction for its fair market value.

Such charitable deductions usually are limited to 30 percent of your income. If you make a larger contribution, the excess deductions may be taken over the next five years.

Besides your write-off, unrealized capital gains won't be taxed if a property is given to charity.

Estate planning. Property that you donate (and any future appreciation) will be excluded from your taxable estate.

Philanthropic satisfaction. Giving real estate can enable you to make a meaningful contribution to charity you'd like to support.

THE TITLE GAME

Joint ownership might be the most common form of incapacity planning. If your elderly Aunt Mary fears that her health will fail, she might add the name of your sister Alice, who lives nearby, to her checking and brokerage accounts. Then Alice can take care of things for Aunt Mary, if necessary.

However, joint accounts always go to the survivor. If Aunt Mary dies, those accounts will go to Alice and not to any other heirs. That's true regardless of what Aunt Mary puts in her will.

Relatively small bank accounts might be held in joint name, so there's ready access to cash in case of incapacity. In addition, elderly individuals can request direct deposits of income and automatic bill payments from checking accounts. Such arrangements can reduce the need for joint titling.

CO OR SUCCESSOR TRUSTEE

Any trust created while the grantor is alive is a "living trust" but the term is often used to describe revocable trusts, which can be rescinded or changed. During the grantor's (trust creator's) lifetime, he's often the trustee and the beneficiary, so control over trust assets is retained.

Avoiding probate usually is the main appeal for living trusts. Trusts also can provide a gentler transition if the grantor becomes incapacitated. A co-trustee or successor trustee can step in to manage the trust assets. With a living trust, you can avoid a conservatorship, a process that is extremely cumbersome, costly, and frustrating. Within the privacy of a trust, the change of control over valuable assets may be much smoother.

Many people prefer the idea of a successor trustee, so they can remain in control as sole trustee. However, adding a co-trustee may be easier to accept, rather than resigning and letting a successor trustee take control of the trust assets. Once a co-trustee is in place, he can step in if the trust creator becomes incompetent.

SUIT PROOF HOME

In these litigious times, you might want to protect your home from legal judgments. Otherwise, someone could trip on your pavement, sue you for "pain and suffering," and wind up being awarded your house.

One strategy to prevent this is to transfer your home into a single-member limited liability company (LLC). Such entities can protect your house from creditors.

The Treasury Department has announced that such an LLC will be disregarded for income tax purposes. Thus, homeowners who make such transfers will be entitled to the mortgage interest deduction and capital gain exclusion on sale of a principal residence. Until regulations were issued by the government, those tax breaks were in doubt for homes owned by an LLC.

There can be only one owner, which could be you and your spouse, holding title as joint tenants or community property owners. No additional business tax return need be filed.

GOOD SHORT TEST
Submitted by Ted Saffran

Take your time and see if you can read each line aloud without a mistake. The average person can't.

This is this fly
This is is fly
This is how fly
This is to fly
This is keep fly
This is an fly
This is old fly
This is person fly
This is busy fly
This is for fly
This is forty fly
This is seconds fly

Now go back and read the **THIRD** word in each line from the top down.

AGING ALPHABET

A is for Apple, and **B** is for Boat,
That used to be right, But now it won't float!
Age before Beauty is what we said,
But let's be a bit more real instead,

Now

A is for Arthritis, and
B is for Bad Back,
C is for the Chest pains, perhaps Car-d-iac?
D is for Dental Decay and Decline,
E is for Eyesight, just can't read that top line!
F is for Fissures and Fluid retention,

G is for Gas which I'd rather not mention.
H is for High blood pressure, I'd rather have low,
I is for Incisions with scars you can show.
J is for Joints, out of socket won't mend,
K is for Knees that crack when they bend.
L is for Libido, what happened to sex?
M is for Memory, can't remember what's next!
N is for Neurosis, pinched nerves way down low,
O is for Osteo, all the bones that don't grow!
P is for Prescriptions, I have quite a few,
Give me another pill and I'll be good as new!
Q is for Queasiness, is it fatal or flu?
R is for Reflux, one meal turns to two.
S is for Sleepless nights, counting my fears,
T is for Tennis; now there's bells in my ears!
U is for Urinary; difficulties with flow,
V is for Vertigo, that's "dizzy," you know.
W is for Worry, NOW what's going 'round?
X is for X ray, and what might be found.
Y is for another Year I've been left here behind,
Z is for Zest that I still have my mind.

I've survived all the symptoms, my body's deployed
But keep twenty-six doctors fully employed!!!

THREE LITTLE CUTE ONES

A little girl walked into a pet shop and asked in the sweetest little lisp, "Excuse me, mighter, do you keep wittle wabbits?"

And the shopkeeper bent way down and put his hands on his knees so that he was on her level and asked, "Do you want a wittle white wabby or a soft and fuwwy bwack wabby? Or maybe one like that cute wittle bwown wabbit over there?"

She in turn put her hands on her knees, leaned forward and said in a quiet little voice, "I don't think my pyfon weally cares."

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A friend was standing in line at a fast-food restaurant, waiting to place an order.

There was a big sign posted. "No bills larger than \$20 will be accepted."

The woman in front of him, pointing to the sign, remarked, "Believe me, if I HAD a bill larger than \$20, I wouldn't be eating here."

+ + + +

"Thanks for the harmonica you gave me for Christmas," Little Johnny said to his Uncle Rodney, the first time he saw him after the holidays. "It's the best Christmas present I ever got."

"That's great," said Uncle Rodney. "Do you know how to play it?"

"Oh, I don't play it," Little Johnny said. "My mom gives me a dollar a day not to play it during the day, and my dad gives me five dollars a week not to play it at night."

IN MEMORIAM

The Alumni Association respectfully acknowledges

the passing of the following

Alumni/Employees/Spouses and expresses its

sympathy to family members:

CHARLES JOSEPH “CHUCK” FOWLER, JR.*

KELLY E. MASTERS**

EDNA SATTCHELL***

* HCFA Retiree

** Life Partner of CMS Retiree Randy Graydon

*** Mother of HCFA/CMS Alumni member Yvonne Edwina West

**If you are aware of any other deaths of Alumni please notify the editorial staff
April 2004**