

# Council Comments

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Volume XV Issue 1

February 2011



Serving 17,000 Military  
Families in  
North Carolina



## The President's Message COL Fred Black USA (Ret.), Chapel Hill



Greetings! On behalf of the Council, let me say THANK YOU to all of the Chapters and members who did so much during the holiday season to help those in their communities. As I read the reports of the many projects and activities, it is impossible not to be impressed with the tradition of selfless service that characterizes our organization. I hope Chapters will not be shy about telling their stories and getting their activities reported in local and MOAA publications.

March will mark a special milestone in our Council. The Cape Fear Chapter celebrates their 50<sup>th</sup> Anniversary on March 10<sup>th</sup> and will host MOAA president **VADM Norb Ryan** at their celebration meeting. **Col Arthur T. Marix USMC (Ret.)** organized MOAA (founded as The Retired Officers Association) on February 23, 1929 in Los Angeles with 63 members. It wasn't until the 1950s that the organization authorized local groups to "affiliate" as chapters with the national association. Thus, the Cape Fear Chapter received its charter on

March 22, 1961. Congratulations to all of the members over the years who have contributed to the success of this great Chapter. Well done! Another item of importance that I want to discuss is our continuing involvement with the efforts to gain tax relief for those not covered by the Bailey Settlement. At our 1<sup>st</sup> Quarter meeting in Roanoke Rapids, **Vice President Hal Keck** of Goldsboro discussed the strategy that we are pursuing with our *The 4th Branch* partner to keep the extension of the Emory, Bailey, Patton settlement before the General Assembly. In pursuing that objective, he indicated that there has been a 2011 update of the economic study, "Investing in North Carolina's Future."

<http://www.seanc.org/docs/Retirees/4thBranchBailey/SettlementEconomicImpactStudy.pdf>

*Continued on the next page*

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## The President's Message (Continued from page 1)

All of this effort cost money and chapters and members of the North Carolina State Council of Chapters have generously provided financial support for this endeavor in prior years. Our other Council partner, *The Federal Retiree Task Force of North Carolina*, has led the fundraising activity over the years and our own Senior Advisor **CAPT Ira Schwarz USN (Ret.)** of Winston-Salem chairs the organization. We have posted the November 2010 fundraising letter that went to many of us on our website **and it's also included on pages 7 and 8 in this issue of *Council Comments***. It did not raise many dollars, maybe because of the holidays. We have asked

Chapters to include the information in their newsletters and websites, and also discuss this at Chapter meetings.

Those of us not paying taxes on our retirement pay can do something to "pay back" those who worked so tirelessly to secure this benefit for us --- we can support this new effort financially and obtain the benefit for those currently not eligible.

Contributions may be mailed to:

**Federal Retiree Task Force  
C/O Paul E Sams  
86 Pine Lake Drive  
Whispering Pines, NC 28327**

## North Carolina Legislative Goals for 2011 (By 3d VP Lt Col Hal Keck USAF (Ret.), Goldsboro)



The North Carolina Council of Chapters working with the 4th Branch and NC Veterans Council will pursue the following legislative actions for 2011:

- Continued push to have the General Assembly pass a law to continue Equal Treatment of Government Employees (*Bailey-Patton* court decision)
- Establishment of a cabinet-level Department of Military Veterans Affairs
- Passage of a law that will encourage the use of military veteran contractors

While many of the State House and Senate members support the above goals, the likelihood of passage of the first two goals is unlikely in today's economy and projected 2.6 billion dollar deficit in the current state

budget.

Governor Perdue will be pushing for consolidation of state agencies, therefore, the second goal is moot. Anything that takes away potential revenue even though it has the potential of generating long term revenue gains will probably not be considered during the next two legislative sessions. That being said, we must still educate our legislators about the benefits of all three goals and hope for success in the future.



## Give Me 10 Tips (By 1st VP LTC Bob Garman USA (Ret.), Fayetteville)

Give Me 10! (GMT) 2011 now is underway. Chapters should have received their



first list of potential members for 2011. A number of you have expressed concern about the quality of information being provided through this important recruiting tool. MOAA needs your help to fix this problem.

Once you've received the first list, please annotate any bad information, and send MOAA that information electronically or via hard copy. If you don't tell them what information is bad, they can't fix it, and you will receive bad information again. Most of these problems exist because members don't tell MOAA when their contact information changes. MOAA is also working with the Member Service Center Team to make sure your inputs back to them are run in the system to update subsequent lists sent to you.

As a reminder, **please dispose of any old GMT forms and materials from previous years. The 2011 application cards have different codes and the postal service will reject the old envelopes that contain your membership application forms.** The GMT program also changes yearly, so only use the

guidance found in your 2011 GMT handbook.

This year MOAA has a new membership category. Membership now is open to ROTC and service academy cadets and midshipmen. Also included are students in enlisted commissioning programs. Your Chapter can recruit these cadets and midshipmen, and receive GMT credit. To get GMT credit, you must write "ROTC/Academy Cadet/Midshipman" across the top of the yellow complimentary GMT application form, along with the year of graduation. Your Chapter will receive one-time GMT credit for these new members, and these new members will receive an electronic membership in MOAA and a special monthly e-newsletter. They will not receive *The Military Officer* magazine. On graduation/commissioning, these members will receive an upgraded electronic membership. Senior ROTC cadets and midshipmen who join this membership category should be included in the Gold Bar program at commissioning, but there is no need to fill out a new membership application since they are already members.

Only two Chapters have recruited new members for MOAA National through the Give Me Ten Program so far, **Western North Carolina** and **Cape Fear**.

## Photos from the NCCoC Meeting in Roanoke Rapids - 22 January (Photos by Maj Bill Culler USMC (Ret.), New Bern)



NCCoC President **COL Fred Black** (L) presents MOAA's 5 Star Level of Excellence streamer for 2010 to former USAF Capt

**Bob Hopkins** representing the **Sandhills Chapter**.



NCCoC Officers (l-r) **LTC Chris Canipe**, **CDR Jack Overman**, **COL Jeri Graham**, **LTC Bob Garman**, **COL Fred Black**, **LtCol**

**Les Petty** and **Lt Col Hal Keck**.

## SENCLand Sends . . . Call for your Action (From 2d VP & SENCLand President COL Jeri Graham)



This is a heads up message regarding the NCCOC meeting scheduled for 13/14 May 2011 at the NCNG Training Center – Fort Fisher.

- The full letter of instruction follows within the next few weeks. However, you are encouraged to make your cottage reservations **soon**. We have a training rate for you and your spouse/significant other at \$23/per person per night. You are welcome to come a day or so early to Fort Fisher and or to stay Saturday night as well. Each cottage has 3 bedrooms and 2 baths, living room, fully equipped kitchen and dining area. We have been given approval to book 2 bedrooms/cottage instead of 3.

- You must personally call to Fort Fisher to reserve your room using your credit card. Please call **Denise** or **Michelle** at **(910) 251-7318/7317**.
- I must turn back unbooked cottages **29 April 2011**. I strongly encourage you to reach out and find folks you'd like to share a cottage with or I will make your cottage assignment. Also, this is going to be such a fun weekend, that you may want to send this message to your Chapter buds and come with a group.
- So wait not! I will try to answer email questions or concerns. Many thanks! HOOAH!!

COL (Ret) Jeri Graham, SENCLand  
Pres. [jeriigraham@yahoo.com](mailto:jeriigraham@yahoo.com)

## Yes, Virginia . . . There Will be a COLA (From MOAA's *Legislative Update* - 18 February 2011)

215.262.

### January CPI Released

**\*\*UPDATE: The January value of 216.40 is up 0.42% from the 2008 COLA Base of 215.5, and not the 0.3% we previously reported in our weekly legislative update.**

The Bureau of Labor Statistics announced the January CPI-W of 216.400 a .5 percent increase over the December value of

The January value of 216.400 is up 0.42% from the 2008 COLA Base of 215.5. The 2008 COLA base was used to calculate the 2010 COLA since there was no 2009 COLA as a result of negative inflation from the third quarter of 2008 to the third quarter of 20

## Pentagon Backtracks on TRICARE Fee Hikes (From MOAA's *Legislative Update* - 18 February 2011)

In 2007 and 2008, **Defense Secretary Robert Gates** shocked the military community by proposing major TRICARE fee increases that would have:

- Raised annual TRICARE Prime enrollment fees from the current \$460 to as much as \$1,000 a year or more
- Raised the TRICARE Standard deductible from \$300 to as much as \$1,100 or more and added a new Standard enrollment fee
- Introduced means-testing by basing fee levels on retiree income
- Raised TRICARE retail pharmacy copayments from \$3/\$9/\$22 for generics/brand/non-formulary medications to \$15/\$25/\$45.

MOAA and The Military Coalition strongly objected to those increases as grossly out of line with the “up front” premiums of service and sacrifice already contributed by retired military families. Congress agreed with us, and rejected the proposed hikes.

For the first two years of the Obama administration, Secretary Gates proposed no TRICARE fee hikes, but in recent months he had been telling every audience he spoke to that the FY2012 budget would propose “modest” TRICARE fee increases for “working-age retirees”.

MOAA was among those who anticipated that meant a renewed effort to implement hikes comparable to those he proposed previously.

But when **Under Secretary of Defense (Personnel and Readiness) Dr. Clifford Stanley** called a meeting with **MOAA President VADM Norb Ryan, Jr. (USN-Ret)** and other association leaders on Feb. 14 to outline the TRICARE fee proposals included in the new FY2012 Defense budget, the bottom line

of his briefing was, “We listened.”

The new plan entails no changes for TRICARE Standard or TRICARE For Life, and no means-testing of fees. It proposes what Stanley described as “modest, gradual” changes in TRICARE Prime enrollment fees, and would exempt military disability (chapter 61) retirees and survivors from those changes.

Specifically, the plan calls for:

- Raising the 2012 Prime enrollment fees by 13% -- from \$230 single/\$460 family per year to \$260/\$520 (survivor and chapter 61 retiree fees would remain at current rates)
- Indexing those fees in 2013 and beyond to a medical inflation index (based on a measure of Medicare cost growth projected to rise at 6.2% per year)
- Changing TRICARE pharmacy copays as follows (changes indicated in parentheses):

	<b>Retail</b>	<b>Mail Order</b>
Generic	\$5 (+\$2)	0 (-\$2)
Brand Name	\$12 (+\$3)	\$9 (no change)
Non Formulary	\$25 (+\$3)	\$25 (+\$3)

MOAA is encouraged that the new proposal avoids the draconian TRICARE fee increases proposed in the past.

While some areas warrant additional adjustment, it makes a better effort to recognize that career military people pre-pay a very large price for their lifetime health coverage up front – through decades of service and sacrifice.

MOAA strongly supports the proposed elimination of co-pays for generic drugs via TRICARE’s Home Delivery (mail order) program and appreciates that survivors and medically retired personnel would be exempt from the proposed Prime increases.

*Continued on the next page*



## **Pentagon Backtracks on TRICARE Fee Hikes** *(Continued from page 5)*

However, MOAA strongly objects to the proposed annual adjustment methodology that would inappropriately tie fee increases for nondisabled military beneficiaries aged 38 to 64 to healthcare cost growth for a more elderly and disabled Medicare population. MOAA believes, in recognition of military beneficiaries' lengthy service and sacrifice, any such adjustments should be capped closely to the percentage increase in their military compensation.

MOAA also continues to believe there are

many opportunities for streamlined operations and pursuit of additional cost-saving measures within the Department of Defense to improve service to beneficiaries at lower cost.

In the weeks and months ahead, we look forward to working with DoD and congressional leaders to address these and other concerns in ways that help ensure long-term stability of military health care programs in ways that are fair for both military beneficiaries and the Nation.

## **Why Did My Tax Withholding Go Up?** *(From MOAA's Legislative Update - 18 February 2011)*

Many MOAA members have called to ask why federal income tax withholding on their military retired pay increased this year. It's not that there was some nefarious new tax hike, or that you fell through some crack in the recent tax cut extension. It's because the two-year Making Work Pay (MWP) tax relief program enacted in 2009 expired at the end of 2010.

MWP cut tax withholding rates from checks in 2009 and 2010. The program wasn't extended to 2011 so the tax tables reverted back to the old higher levels.

The MWP program was designed to act as a special stimulus payment to help kick-start the country out of recession by putting some extra money in citizens' hands right away. Technically, the MWP provision was intended only to apply to qualifying taxpayers still earning wages. However since DFAS uses the same tax tables and pay systems for retired pay as it does for active duty pay, the

system didn't discriminate between retired pay and wages.

This doesn't mean that you owe more or are paying higher taxes - it's just that DFAS has returned to withholding the pre-stimulus amount from each deposit. If this results in too much money being withheld, you will receive any overpaid amount via a tax refund.

If the change causes you some problem, you can submit an IRS form W-4 to DFAS or your pay agency to change your withholding amount. Changes can also be made to DFAS using the on-line 'My Pay' system.

Just remember that changing your withholding won't change your actual 2011 tax liability. If you have too little withheld, you'll have to pony up the rest (and any applicable penalty, if you under-withheld too much) when you file your 2011 federal income taxes.



## Federal Retiree Task Force of North Carolina Fundraising Letter

*Editor's Note - This is the letter COL Black referred to in his President's Message on page 2. We encourage all Chapters to reprint it in your Chapter newsletters and post it on your Chapter websites.*

Dear Task Force Member

Nov 2010

It's time for another update on our progress with the legislation for extending the Emory, Bailey, Patton settlement. As you know the 4<sup>th</sup> Branch did an economic analysis of what the Federal, State, Local and Military retiree brings to the State of North Carolina. The results of that study showed that for every \$1.00 the state gives us in tax benefits we give them \$2.50 in return. The study shows that we are an asset and not a liability to North Carolina.

We had limited success in the legislature with our efforts this year but the first effort took over 10 years to come to fruition and we will continue our efforts on behalf of all federal / military retirees.

You will recall again "The purpose of this organization shall be to further the long term interests of all military and civilian federal retirees and their beneficiaries, residing in NC; to communicate with and advise them of their rights and obligations; to use such lawful efforts including legislative activities as needed to accomplish this purpose in a nonpartisan manner". Unfortunately for us the financial situation in the State has left us in a difficult predicament.

Our lobbyist met with several key people in the House, Senate and also the governors office and had a tentative approval for us to make a presentation to the 2009 Revenue Laws committee. When they returned for the short session of the legislature the finances were in such bad shape that they did not invite us to appear before the committee. According to Ken Melton, our lobbyist, most of the people on the committee thought that we had a good case but the "timing was not very good for the economic environment to send this to the house" and that it would be voted down. We decided to not press the issue but wait until another day/another session of the legislature.

This leads to another issue, some of the data in the economic analysis has to be updated. The 4<sup>th</sup> Branch has contracted with Dr Hedrick again for him to update the study. When he finishes we have to update our material and have it ready when the legislature returns in January.

We have house/senate members lined up to introduce our bills and some cosponsors as well. We continue to work closely with the 4<sup>th</sup> branch and MOAA. Several of our board members are on the legislative committee of the 4<sup>th</sup> Branch. Meetings are already planned for after the elections to put in place new strategies for the upcoming session and we want to be ready when that session starts in January. We know that the State's budget doesn't look very good for next year but we will continue our efforts with our usual optimism.

*Continued on page 8*



## Federal Retiree Task Force of North Carolina Fundraising Letter (Continued from Page 7)

You might be interested in knowing why we as federal/military, state and local retirees bring more to the table than the state gives us in return, here are just four reasons:

ENHANCING the local property tax base and local and state sales tax.

INCREASING local capital and community jobs, stimulating and stabilizing the economy.

INCREASING voluntary services in the community (over 100 million \$ in volunteer hours)

PROVIDING environmentally friendly growth (we protect the environment-no new infrastructure is required when a federal retiree moves into NC)

Now that all that has been said we did a lot of work in 2009-2010 but to be honest with all of you we did not accomplish our goal of extending the Bailey, Emory, Patton to all Federal, State, Local and Military retirees. We did get our points across to the finance committees, the governor's office, some members of the house and senate and from that standpoint we were successful.

We continue to need your support, our numbers are getting smaller, simply because of age. This group started over 20 years ago and the people that started this effort were already retired then. I again want to thank them for their efforts back then and we will continue their efforts for the next generation. We need your help in contacting your state representatives and senators. The grass roots effort still goes a long way with most politicians. With having to update our study and our new contract with our lobbyist we will have additional expenditures. I understand these are tough economic times, that's why we really need your continued support.

I get many letters or notes from our members thanking us for what we are doing and I contact some of them and tell them how much we appreciate the support and effort that they have given thru the years and listen to some of their stories. It is fascinating to me to hear some of them, World war II veterans wanting us to keep up our efforts. I assure them all that we will do that.

Thanks for all of your support thru the years, I wish I could tell each one of you that in person, it as an amazing group of people that made a commitment and stuck with that commitment thru thick and thin over all these years and still have a passion for their fellow man and "DOING THE RIGHT THING". More to follow in the coming months.

Paul E Sams  
Director, Federal Retiree Task Force

PS: If your retirement benefits are \$1,000.00 a month you get an additional \$70.00 a month or \$840.00 a year in tax relief thanks to the Federal Retiree Task Force.

Mail all Contributions to: Federal Retiree Task Force  
C/O Paul E Sams  
86 Pine Lake Drive  
Whispering Pines NC 28327

PERSISTENT: EXISTING FOR A LONG OR LONGER THAN USUAL TIME OR CONTINUOUSLY

## **“As I See It - A Job Killer for Military Retirees”** **(By Col Steve Strobridge USAF (Ret.), MOAA’s Director of Govt. Relations)**



We’ve seen a lot of counterproductive ideas over the years. But few have been so half-baked as the proposal by the president’s National Commission on Fiscal Responsibility and Reform to make civilian employers reimburse the Pentagon for

health care costs incurred by their retired military employees who use TRICARE.

That’s wrong on so many levels it’s hard to know where to start.

- It would retroactively deny generations of promises by military leaders and retention officers and NCOs that completing a career in uniform would earn health care coverage in retirement.
- It would deny the government’s own responsibility for making good on its health care promises by shifting the cost to retirees and their prospective employers.
- It says, in effect, military retirees who seek civilian employment didn’t earn squat and should be required to accept whatever health care benefit their new employers offer — no matter how much the employers might

have whacked it back.

- It conveniently overlooks that the majority of military retirees must seek civilian employment to supplement their retired pay after being forced from service between ages 38 and 52, when families’ education and other needs are the greatest.
- Most egregious of all, it would lay another major career penalty on the group that least deserves it — those who already sacrificed their own interests for decades to serve the nation’s, including many who incurred significant disabilities in the process. That’s about as perverse a system as I can imagine. First, make servicemembers endure 10 years of the worst wartime sacrifices in generations. Then reward their sacrifices by purposely impeding their chances for post-service employment in the worst job market in decades.

It’s in vogue in the new Congress to rail against “job-killing” programs. If you want to kill post-service job opportunities for military retirees — and deter good people from serving military careers to boot — could there be a more creative way than making civilian employers pay a stiff annual fine for every military retiree they hire?

### **North Carolina Council of Chapters Meeting Schedule for 2011**

21-22 January - Roanoke Rapids - hosted by the First in Freedom Chapter

13-14 May - Fort Fisher Air Force Recreation Area - hosted by the SENCLand Chapter

3d Quarter - Charlotte Area - hosted by the Charlotte-Metrolina Chapter

4th Quarter - Fort Bragg - hosted by the Cape Fear Chapter

## North Carolina Council of Chapters



**One Powerful Voice.®**

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