



AFSA NEWSLETTER

For Your Benefits: Stay Informed, Stay Connected

Web: www.afsa.org Email: afsa@afsa.org Phone: (800) 704-2372

June 2014

Like afsapage Follow @afsatweets

Volume 28, Number 3

AFSA Memorial Ceremony

The Foreign Service community came together in remembrance of USAID Foreign Service officer Antoinette “Toni” Beaumont Tomasek during this year’s AFSA Memorial Ceremony on May 2. A community health specialist at the USAID mission in Port-au-Prince, Haiti, Ms. Tomasek died in June 2013 from injuries sustained in a car accident during a medical supply delivery to a local clinic. She is survived by her husband Adam Tomasek and their two children, Amelie (7) and Alex (9).



The Tomasek Family at the AFSA Memorial Plaques.

Ms. Tomasek joined USAID in 2009, and was posted to Indonesia where she immediately became an integral part of the mission’s health unit. She was also a principal author of its Global Health Initiative, which guides the work of USAID’s mission in the country. Prior to joining USAID, Ms. Tomasek worked on health and development issues both at home and abroad, and earlier served as a Peace Corps Volunteer in Paraguay. The emotional memorial ceremony celebrated Ms. Tomasek’s life and career, emphasizing her contributions to the greater good and those who were in need of a helping hand.

Following the ceremony, Ms. Tomasek’s family participated in a video teleconference with Ambassador Pamela White and staff members of the U.S. embassy in Port-au-Prince. Ambassador White assured the family that she spoke on behalf of

every single member of the embassy staff in saying that “Toni is in our thoughts, every single day,” and that she leaves a lasting legacy in Haiti.

The annual memorial ceremony provides an opportunity to consider the many individuals who have given their lives in the line of duty. From William Palfrey, the first recorded diplomat to do so in 1783, through Toni Tomasek, the record of service and sacrifice speaks for itself. Diplomacy has a price, and the Foreign Service is filled with people willing to pay it. The 245 diplomats honored on the AFSA memorial plaques bear lasting witness to this fact. You may watch a recording of the ceremony on the AFSA website at www.afsa.org/video.

AFSA Foreign Affairs Day Reception

On May 2 the American Foreign Service Association Scholarship Fund held its annual Merit Awards Ceremony. This award ceremony, held in conjunction with a reception for participants of Foreign Affairs Day, was a great opportunity for local retirees to meet current Foreign Service families and congratulate the student recipients on their accomplishments.



AFSA President Bob Silverman congratulates Tim Kostelancik on his Academic Merit Award sponsored by Mrs. Maria Giuseppa Spigler.

AFSA's Reception (continued)

This year, a total of \$48,500 was awarded to 27 high school seniors whose parents are AFSA members. These students received scholarships for their outstanding achievements in academics and/or art. Recipients receive \$2,500 as winners and either \$750 or \$1,000 for honorable mentions.

Retiree support continues to play a significant role in the success of the Merit Award Program as a number of generous individuals within the community have established scholarships at AFSA. Nine named awards have been established and are granted to the highest scoring students.

For more information on these winners and/or how to contribute, visit www.afsa.org/scholar or contact Lori Dec at (202) 944-5504 or dec@afsa.org.

Daily Media Digest: A Valuable New Benefit for Members



AFSA compiles a daily email digest of news items (articles, opinion pieces, blogs, etc.) affecting the Foreign Service. Each day, we send out a list of five to 10 news items that believe our members might find of interest. To subscribe to this service, please send a request to mediadigest@afsa.org. Remember, this service is available for AFSA members only.

More than 1,200 members are currently taking advantage of this service; one satisfied member said:

"This is the most-used service AFSA provides in my daily life. It helps me keep up when I have budgeted my time down into decimal points, and it has been an extremely helpful resource for the undergraduate courses I am teaching in international studies.

Some students have a particular interest in Benghazi, and here you are with another article on the subject.

I am storing all the digests for future classes. News becomes history just about that quickly."

90th Anniversary

AFSA and the Foreign Service mark their 90th anniversaries in 2014. The Advocacy Dept. has been working with members of the House and Virginia General Assembly to pass a resolution to mark the occasion.

Representative Juan Vargas, D-Calif., introduced legislation, [H.Res.582](#), in support of "United States Foreign Service Day." As of May 15, the resolution co-sponsors were Rep. Alan Lowenthal, D-Calif., Rep. Karen Bass, D-Calif., Rep. Grace Meng, D-N.Y., Rep. Gregory Meeks, D-N.Y., and Rep. Tulsi Gabbard, D-Hawaii.

With almost 3,000 members of the Foreign Service domiciled in Virginia, we are proud to report that the Virginia General Assembly passed House Joint Resolution No. 406, commending the American Foreign Service Association and commemorating the 90th anniversary of the establishment of the Foreign Service of the United States.

The resolution, which received bipartisan support in both House of Delegates and Senate, was introduced by AFSA's friend and supporter, Delegate Alfonzo Lopez (D-49th District).

Wish to Advise Congress on Visa and Immigration Issues?

In crafting legislation to address immigration and homeland security issues, retired FSO Judy Carson believes Congress could benefit from the insights and expertise of current and retired consular officers, as well as professionals from the Passport Agency, Department of Homeland Security, Human Smuggling and Trafficking Center, Department of Labor, Social Security Administration, etc.

These are the professionals who understand the vulnerabilities of the current system and how "the devil is in the details" in crafting a workable, enforceable system to facilitate legitimate travel and immigration.

Judy would like to brainstorm with retired officers interested to explore means of reaching and educating Congress on these issues. If interested, please contact her at: JCarson2004@yahoo.com (703) 217-3485. Please also pass this notice on to other retired colleagues, including other agencies. Judy is targeting a get-together in the Washington, D.C., area for July 8.



Eightyone Hundred You've earned the address.

If you've ever dreamed of spending your senior years on permanent vacation, turn your dreams into reality at the exclusive, elegant community of Five Star Premier Residences of Chevy Chase.

- Spacious apartments with full kitchens
- In-home washers/dryers
- Secure underground parking
- Fine dining prepared by our Executive, Sous and Pastry Chefs
- Cocktail Lounge with Full Bar
- Newly renovated Health Club
- Indoor swimming pool
- Over 300 monthly activities

Discover Five Star Premier Residences of Chevy Chase, located in a park-like setting right inside the Beltway, and experience the extraordinary lifestyle you deserve.

Our stately address says it all.

Call us today to arrange for your private personal tour, complimentary lunch and transportation service!

(301) 915-9217



FIVESTAR
Premier
RESIDENCES
OF CHEVY CHASE

Formerly known as Classic Residence by Hyatt

8100 Connecticut Avenue, Chevy Chase, MD 20815

(301) 915-9217 • www.fivestarpremier-chevyCHASE.com



The Coordination of FEHB and Medicare with Paula Jakub



On May 19 the executive vice president of the American Foreign Service Protective Association, Paula Jakub, spoke at AFSA as part of our Federal Benefits Speaker Series. She addressed the coordination of the Federal Employees Health Benefits Program and Medicare, as she had earlier, in April 2012. Again, the AFSA house was packed. Ms. Jakub, whose association administers the Foreign Service Benefit Plan, is formally recognized by the Foreign Service Institute as a subject matter expert on Federal Health Benefits. While providing current information on changes in the FEHBP, the Affordable Care Act, and how to coordinate Medicare with FEHB coverage, nothing in her presentation can or should be construed as advice.

Enrolling in Medicare: Ms. Jakub began her talk by discussing the issue of greatest concern to those approaching 65: to enroll in Medicare or not. For starters, Medicare is only for each individual; there is no coverage for spouses or children. Everyone eligible for premium-free Medicare Part A should consider enrolling at age 65, whether you are working or retired. Enrollment in Medicare Part B is voluntary; you must pay a monthly premium.

Medicare has a specific enrollment period. The Initial Enrollment window is open for seven months: three months before your 65th birthday, your birthday month and three months after your 65th birthday. If you fail to enroll during this time and wish to enroll at a later time, you will face a late enrollment penalty. If you are still actively employed and have your group health plan through your employer, then you can delay making the Medicare Part B decision until you retire or your **current employment** group health plan ends.

The Special Enrollment Period is the eight month period after you retire or your **current employment**

group health plan ends. You may enroll in Medicare Part B during that eight month period without the late enrollment penalty. Keep in mind that retiree health plans do not count as current employment plans. There is also a General Enrollment Period that runs from January through March every year. The Late Enrollment Penalty applies for every 12 month period that you could have been covered under Medicare Part B and were not.

She reviewed Medicare Parts A, B, C and D with caveats. Part A is free hospital insurance available to everyone once you turn 65. If you are receiving Social Security benefits, you will be enrolled automatically and receive your Medicare card. If you do not want to take Medicare Part B at that time, then you need to notify Medicare and return the card. Otherwise, you will be charged the Medicare Part B premium.

Part B is medical insurance, which covers doctor services, tests, outpatient hospital, some home health services, durable medical equipment, kidney dialysis, and some preventive and screening services. Part B premium is a means-based premium and is based on your Modified Adjusted Gross Income from two years before the date of enrollment. It is reviewed and adjusted each year.

Part C, also called "Medicare Advantage," is a health maintenance organization policy offering comprehensive medical coverage. To enroll, you must already be enrolled in Part A *and* Part B. One can opt in to Part C and can then *suspend* (rather than *drop*) FEHB coverage. If you choose to drop Medicare Part C coverage and return to the FEHB at a later date, you may do so, but only during open season. That is one of the very few chances in which a federal annuitant can return to the FEHB and does not lose this valuable coverage permanently.

Part D offers prescription drug coverage. The FEHB provides excellent drug coverage, so few federal retirees benefit from paying extra for Part D, unless limited resources qualify them for extra financial assistance.

Part B or not Part B? That is the question: If used with Part B, FEHB functions like a "Medigap" policy; between the two, virtually all costs are covered, and the FEHB Plan remains the primary payer for prescription drugs. But situations vary. Part B doesn't cover non-domestic claims, so if one lives or spends much time outside the U.S., Part B may not be cost-effective. Although higher income

The Coordination of FEHB and Medicare with Paula Jakub

individuals will pay higher Part B premiums, it still may be worth it to have virtually 100 percent of charges covered. One should also consider greater health needs as one ages and one's tolerance for paperwork, which is automatically taken care of by Medicare B and the FEHB plan.

But the most critical factor for most retirees is the status of their physicians: 1) physicians who "accept assignment" of what Medicare agrees to pay; 2) non-participating physicians who do not "accept assignment," and can charge 15 percent more than the Medicare Approved Amount (check with your FEHB plan to see what their rules are regarding this 15 percent charge); and 3) "opt out" providers, who do not participate in Medicare and will ask you to sign an individual agreement. Medicare will not pay anything toward those charges and you cannot bill Medicare.

The "opt out" dilemma: By law, the FEHB plan cannot pay more than it would have paid if Medicare had made the initial payment as primary insurer. In other words, FEHB's payment would generally be capped at 20 percent, versus the FEHB plan's normal coinsurance or co-pay. Ultimately, the most critical consideration for many retirees may be the importance of keeping current physicians, particularly if those physicians are or might become "opt-out" providers, and/or the availability of physicians who take new Medicare patients in the areas where they live.

Ms. Jakub then made another important point: Federal annuitants who can keep their FEHB coverage into retirement are very lucky. While many private-sector employers decrease the health coverage for their retirees and/or require them to enroll in Medicare Part B, this is not the case for the federal annuitant. An annuitant is allowed to keep the same excellent health coverage at the same premium as an active federal employee. The plans provide the same benefits; the retiree is responsible for the same deductibles, coinsurance and copays.

She underscored that the decision to enroll in Medicare Part B is a very personal one, and can vary even within a household. She expressed the hope that her presentation gave some helpful insights.

Other FEHBP Issues: Many members have been surprised when a trip to a hospital emergency room turns into an overnight stay but is not considered inpatient confinement, but rather, "observation." Ms. Jakub clarified that hospitalization for observation is considered "outpatient," and covered under

Medicare Part B, *NOT* Medicare Part A. (Contrary to popular opinion, under the Affordable Care Act Medicare still covers hospitalization for observation.) Another important factor is the potential move to a skilled nursing facility after the hospital stay that is billed as observation care. The stakes are high because the three day admission rule is not met; thus, Medicare will not pay for the nursing home care and the patient is liable for the full cost of this expensive care. Additionally, most FEHB plans consider observation stays to be outpatient care as billed by the hospitals. Because outpatient benefits apply, even if the patient stays overnight, he or she can expect to be responsible for the copay or coinsurance applicable to outpatient benefits.

Preview of 2015 FEHBP: The Office of Personnel Management is continuing to focus on ways to optimize pharmacy practices to ensure safe and clinically effective use of prescription medications while managing drug costs. To better manage drug costs, many plans will move to a four tier design (generic, preferred, non-preferred, specialty) and expanded management programs; e.g., prior authorization and step therapy. By 2016, the plans' managed formularies will exclude drugs deemed less efficacious, less safe, or having little incremental clinical value at substantial additional cost, when compared to available drugs for the same indication. Many plans will move to a managed formulary next year. Wellness will be emphasized through health risk assessments and biometric screenings, smoke-free living and wellness incentives. Consistency with mental health parity may affect pre-authorization requirements and compliance with the ACA will require some plans to enhance wellness benefits with additional free in-network preventative care services. Out-of-pocket catastrophic maximums will be limited to \$6,750 for a self-only plan and \$13,500 for a family plan. The big news for 2016 will be the introduction of the new, "Self + 1 option," which may save empty-nest annuitants but may cost families more.

After speaking for almost an hour, Ms. Jakub graciously took questions for another hour. Twenty people asked questions, almost half focused on the "opt-out" dilemma, expressing concern over the 20 percent FEHB payment cap to "opt-out" doctors for those who have Part B. The video of the seminar is posted on AFSA's website at www.afsa.org/video. Ms. Jakub's PowerPoint will be featured on the website for two months at www.afsa.org/retiree.

WAE Update from Retiree VP Larry Cohen

AFSA receives many messages from annuitants regarding the Department of State's When Actually Employed program. We appreciate the feedback provided by our membership about the WAE process and especially comments for its improvement. Most responses concern the current system's lack of transparency and paucity of information about possible WAE opportunities. Annuitants generally appear to favor an approach less fragmented than the current bureau-centric system.

Last August, the department's Human Resource Service Center in Charleston launched a WAE "central registry." Annuitants interested in possible WAE assignments may provide the HRSC with contact information. The sign-up process takes a phone call and a few minutes of time.

What the process does not include is a searchable, keyword-driven resume or profile system common to HR divisions of corporations, multilateral institutions, and nongovernmental organizations everywhere. Nor are bureaus under any obligation to utilize the HRSC list. Far as we can ascertain, the system does not create any efficiencies or reduce costs. Nor is the process any more informative for the annuitant of possible bureau needs. As presently designed, the central registry does not yet function as hoped.

AFSA believes the WAE registry/hiring process ought to accomplish specific goals. For bureaus, it should ease the process to bring on-board the best available personnel from the widest population of potential WAE candidates in a timely fashion while reducing operational costs. For WAE annuitants, it should inform, provide flexibility, and be transparent and fair to the maximum extent possible.

To achieve these goals, AFSA recommends that HR introduce an electronically searchable, internet accessible CV and/or EP+ database, maintain a list of available WAE positions, designate a senior officer to manage a WAE shop responsible for liaison with bureaus and annuitants, and conduct routine paperwork processing normally done by the bureaus. To take on new responsibilities including upgrade of its IT capabilities, HR may require additional resources.

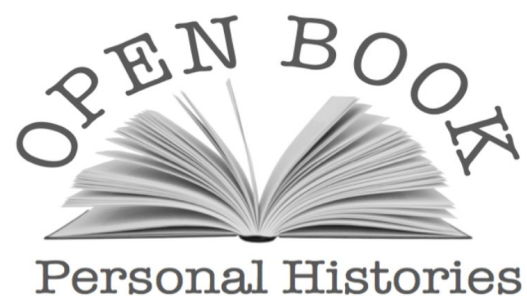
As State's HR Bureau moves toward "shared services" and an improved central registry, other bureaus should utilize it. We appreciate that bureaus will still identify and approve candidates for positions in a process no different than for active-duty assignments. But in the interest of rationalization,

WAE appointment authority and paperwork processing, even payroll, could become an HR function. The department may wish to consider centralization of the clearance process and modification of cap rules that frustrate both bureaus and annuitants. We also encourage other foreign affairs agencies to introduce WAE-type programs.

AFSA recommends annuitants continue time-honored networking with bureau coordinators, utilize RNet services, contact the HR Service Center and show interest in a centralized registry, and keep their skills sharp and resumes current.

Retiree ID Badge and Access to Main State

AFSA would like to solicit feedback from members on their experiences using the State Department's retiree ID badges when visiting Main State. Please send an email to retiree@afsa.org with the subject line: "Retiree ID Access", and briefly describe what your experience and impressions have been when using the retiree ID badge to enter the HST Building.



You've made homes in distant places.
You've had adventures. We'll help capture your life stories and preserve them in a memoir, a biography, or a keepsake book—whatever best tells your personal history.

Your Story. Pass It On.

Visit us on the web at:
openbookpersonalhistories.com

FSPS Annuity Supplement

Periodically, we wish to remind members about important benefit issues. This information is also found on our website under the retiree services page and in the resource pages of the annual Retiree Directory.

The Foreign Service Pension System annuity supplement can be confusing. It is a benefit payable to certain retirees who *retire before age 62, are in the "new" FSPS retirement system, and are entitled to an immediate annuity*. The purpose of the supplement is to provide a level of income before age 62 similar to that an annuitant would receive at age 62 as part of Social Security benefits.

The annuity supplement is payable from the date of retirement until the month prior to the month in which the annuitant reaches age 62. It is calculated as if the annuitant is 62 and fully eligible to receive SSA benefits on the day of actual retirement. It is subject to an annual earnings test similar to the one applied to Social Security benefits.

An employee with at least one year of FSPS service and who retires voluntarily or involuntarily with entitlement is eligible to an immediate annuity. Employees who retire at their Minimum Retirement Age with at least 10 years of service, or employees who retire on disability or deferred retirement, are not eligible for the annuity supplemental.

To calculate a retiree's annuity, the department estimates what his/her full Social Security benefits would be. Then, it calculates the amount of service under the FSPS and reduces the estimated full Social Security benefits accordingly. For example, if an estimated Social Security benefit at age 62 is \$20,000 and the number of years under the FSPS is 20 years, the formula would be \$20,000 divided by 40 times 20, or \$10,000.

The FSPS annuity supplement is subject to an earnings test that begins *after* a retiree reaches the Minimum Retirement Age (see chart). The earnings test is similar to the one applied to Social Security benefits and uses the same annual exempt amount, as required by law in 5 U.S.C. Section 8421a. The current exemption amount for 2014 is \$15,480 of earned income. Your annuity supplement will be reduced by \$1 for every \$2 by which your calendar year earnings exceed the exemption amount. The reduction, termination or reinstatement of benefits will become effective January 1 of the year following the year of income reported.

At the end of each calendar year, the department asks FSPS annuitants who have reached their

<i>If you were born...</i>	<i>Your MRA is...</i>
Before 1948	55 years
1948	55 years and 2 months
1949	55 years and 4 months
1950	55 years and 6 months
1951	55 years and 8 months
1952	55 years and 10 months
1953-1964	56 years
1965	56 years and 2 months
1966	56 years and 4 months
1967	56 years and 6 months
1968	56 years and 8 months
1969	56 years and 10 months
1970 or later	57 years

Minimum Retirement Age to submit a **FSPS Annuity Supplement Report (DS-5026)**. In order to show continuing eligibility for the annuity supplement, annuitants declare their earned income for that year. The department then determines whether the annuity supplement should be reduced or terminated.

To assure non-interrupted annuity supplement payments, *it is important that the DS-5026 be submitted promptly each January*. The department attempts to assure that no overpayment is included in the February annuity payment. However, if an annuitant receives excess funds before a reduction or termination goes into effect the following year, the department will ask for repayment of this overpayment.

Retiree Counselors

Matthew Sumrak sumrak@afsa.org
 (202) 719-9718 or (800) 704-2372, ext. 719
 Todd Thurwachter thurwachter@afsa.org
 (202) 944-5509 or (800) 704-2372, ext. 509
www.afsa.org/retiree

AFSA Chief-of-Mission Guidelines

On Feb. 25, AFSA released its "[Guidelines for Successful Performance as a Chief of Mission](#)," a set of criteria that are politically neutral and can be applied to all nominees, both career and non-career.

The guidelines were a product of a working group of 10 former chiefs of mission, including career and non-career ambassadors who served with distinction through the last eight presidential administrations. The intention was to identify the characteristics of a strong ambassador. The group, led by longtime AFSA member Ambassador Charles Ray, took a broad view, looking at all available guidance on the subject, including legislation.

The AFSA Governing Board, after comments and questions were addressed, approved the guidelines by a substantial majority during its January meeting.

Following passage of the guidelines, key stakeholders in the chief-of-mission selection process were briefed and the next step was to share the document widely in Washington, D.C. AFSA executed a major media rollout and received extensive coverage.

During its March 5 meeting, AFSA's Governing Board passed a resolution aimed at furthering AFSA's engagement on the issue of ambassadorial qualifications.

Subsequently, AFSA reached an agreement with the administration to post each nominee's "certificates of demonstrated competence" (a document required under Section 304 of the Foreign Service Act of 1980), in a timely manner on State's [website](#). In addition, the administration will consider the guidelines and existing legislative authority when drafting the certificates. This is now happening, well ahead of each nominee's Senate Foreign Relations Committee hearing, which increases the transparency of the nomination process.

To read more about this issue please visit AFSA's website at www.afsa.org/chiefsofmission. We also have a site dedicated to ambassadorial appointments at www.afsa.org/ambassadorlist.