



# AFSA NEWSLETTER

FOR RETIREES AND MEMBERS IN TRANSITION

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## 2011 Federal Employees Health Benefit Plan

### FEHB Premiums

Premiums for the 2011 Federal Employees Health Benefits Program will increase by an average of 7.2 percent for active-duty and retiree enrollees.

This increase is less than the 8.8-percent increase for 2010 (and less than the anticipated increase of between 8.9 and 10.5 percent for other large employer-sponsored health programs). According to the Office of Personnel Management, new health reform benefits account for only about 1.7 percent of the increase.

Premiums for the Foreign Service Benefit Plan will increase:

- \$4.23 for self and \$5.34 for family every two weeks for employees
- \$9.18 for self and \$11.56 for family every month for retirees.

Premiums for Blue Cross Blue Shield Service Benefit Plan will increase:

- \$5.58 for standard self and \$14.14 for standard family every two weeks for employees
- \$12.10 for standard self and \$30.63 for standard family every month for retirees
- \$5.82 for basic self and \$13.62 for basic family every two weeks for employees
- \$12.61 for basic self and \$29.51 for basic family every month for retirees.

Open season will run from Nov. 8 to Dec. 13.

Although the open season technically remains open for retirees until Dec. 31, interested retirees should file an SF-2809 to change plan choices before Dec. 13 in order to assure that these changes go into effect by January 2011.

Premiums changes are only part of the story about cost. Information about co-pays and deductibles will become available when OPM releases Open Season information and plan brochures are published.

Additionally, it should be noted that a number of plans have dropped out of FEHBP or changed their service areas or coverage options.

Open season also provides an opportunity to select your dental and vision insurance coverage for 2011 and, if you are an active-duty employee, participating in a flexible saving account.

AFSA is pleased to offer access to the *Consumer Checkbook Guide to Health Plans* again this year. To gain access to the *Guide*, click on the Consumer Checkbook icon at [www.afsa.org/retiree/](http://www.afsa.org/retiree/).



You will be asked to log in. Please provide your user ID, which is your AFSA membership number, and your user password, which is your last name. In the event you are not online, we have a limited number of hard copies of the *Guide* that we can send on request.

Retirees should file SF-2809s to change health plan choices before Dec. 13 in order to assure that these changes go into effect by January 2011.

## For Your Information

### Agent Orange and the Foreign Service

During the Vietnam War, Foreign Service employees served side-by-side with their military counterparts in a joint civilian/military command. The Civil Operations and Revolutionary Development Support operation combined counterinsurgency and nation-building programs run by the military, USAID and the CIA throughout Vietnam. As a result, civilian and military personnel shared in facing the same war-zone dangers and hazards. One such hazard was exposure to dioxin, commonly known as Agent Orange.

According to the Veterans Administration, about 20 million gallons of the herbicide was sprayed across South Vietnam in an attempt to destroy crops and trees and foliage that concealed enemy forces.

The VA presumes that all military personnel who served in Vietnam were exposed to Agent Orange, and federal law presumes that certain illnesses are a result of that exposure. This “presumptive policy” simplifies the process of awarding compensation for these diseases, since the VA foregoes the normal requirements of proving that an illness began or was worsened during military service. There was no similar provision for civilian employees in Vietnam.

Recently, three retired Foreign Service officers who served with CORDS in Vietnam have reported developing illnesses that would have qualified them for health care benefits and compensation had they served in the military.

Because the State Department has no authority or resources to cover treatment of these illnesses, the only alternative open to the three former FSOs is an application for disability benefits under the Federal Employee’s Compensation Act, which is administered by the Office of Workers’ Compensation Programs in the Department of Labor.

Any benefits under FECA, however, would be less generous than those under the VA program. In addition, the applicants would have to show a causal connection between their service in Vietnam and their diseases, and that they filed timely applications to the satisfaction of OWCP. The causal connection and timeliness may be difficult to demonstrate through no fault of the applicants.

We hope that the department, which already forwards FECA applications from department employees to DOL, will make a forceful supporting argument that assumptions similar to those of the VA should apply to Foreign Service officers who participated in CORDS. Additionally, the department should inform retirees in general about the possibility of Agent Orange-related illnesses stemming from participation in CORDS and assist them with any claims.

Finally, we believe the department should ask for the same level of diagnostic and health care for civilian employees assigned to combat zones as provided for the military. This would be a way for civilian leaders to show the same commitment to employees as the military does.

## For Your Information, Continued

### FEGLI Accounts

The chairman of the House Oversight and Government Reform Committee, Rep. Edolphus Towns, D-NY, has asked the Government Accountability Office to examine the operation of the Federal Employees Group Life Insurance program. The program is administered by MetLife and overseen by the Office of Personnel Management.

Towns is concerned about the practice of depositing life insurance payments for beneficiaries into “retained asset accounts,” rather than making direct lump-sum payments to beneficiaries. The use of these accounts, he maintains, raises questions about the disclosures and accounts protections provided to the titular beneficiaries of the accounts.

Unless a beneficiary asks that life insurance proceeds be paid out in a lump-sum, the proceeds, by default, are deposited in a retained asset account. Chairman Towns stated that he is “... concerned that some beneficiaries may not fully understand their right to obtain immediate, lump-sum payment of their benefits.” Moreover, beneficiaries may not understand who benefits from the accounts: in general, according to critics, MetLife pays itself a higher interest rate on the money in these accounts than is paid to beneficiaries.

Another concern is that retained asset accounts are not insured by the Federal Deposit Insurance Corporation, although they may be protected by state insurance guaranty funds.

### No COLA in 2011

On October 15, the Labor Department’s Bureau of Labor Statistics announced that there will be no 2011 cost-of-living adjustment for the three federally administered retirement programs: Social Security, military retirement and federal civil service. 2011 will be the second consecutive year without a COLA.

House Speaker Nancy Pelosi, D-CA, has announced that after the election the House of Representatives will consider legislation (H.R. 5987) to provide one-time \$250 payments to Social Security recipients, military and railroad retirees and recipients of disability insurance under Social Security.

As the National Active and Retired Federal Employees Association has pointed out, it is unclear whether over one million federal, state and local government retirees who are not eligible to receive Social Security benefits would receive the \$250 payment, as well. These would include retirees in the old Foreign Service retirement system, the Foreign Service Retirement and Disability System, who do not receive Social Security payments.

This omission is not unprecedented. During consideration of the 2009 stimulus bill, retired public employees who did not receive Social Security payments were initially excluded from receiving such a \$250 payment.

A \$250 refundable tax credit for public service retirees was included in the final legislation .

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## From AFSA

### Florida Retiree Luncheon



On Sept. 23 and 24 AFSA President Susan Johnson and Retiree Coordinator Bonnie Brown visited a lively group of Foreign Service retirees in Ocala, Florida. In addition to attending an evening reception, both spoke at a luncheon and answered questions. Susan Johnson talked about the big-picture issues facing the Foreign Service in the 21st century – resources, professionalism and coordination with other foreign affairs agencies. Bonnie reviewed Medicare, Social Security and health reform, as well as about federal benefit issues.

### AFSA Zipcar Benefit

AFSA is pleased to announce an agreement with Zipcar, the world's largest car sharing and car club service. AFSA members are now eligible for a 50-percent discount on Zipcar's annual fee and up to a 30-percent discount on rental fees.

Go to [www.zipcar.com/afsa](http://www.zipcar.com/afsa) to fill out an online application. You will need to refer to a credit card and your driver's license, as well as your AFSA membership number. (Your AFSA membership number can be found above your

name on your *Foreign Service Journal* mailing label. You can also ask for your membership number at [member@afsa.org](mailto:member@afsa.org).)

Once you receive your Zipcard, you can make an online reservation. Invoices will be posted online and updated after each reservation (click on "my stuff" then "my bill" to view your invoice). Your credit card will be charged after each reservation.

If you are already a Zipcar member, you can call 1 (866) 494-7227 and select option 2 for account assistance, followed by option 1 for billing. Let the agent know you'd like to be added to the AFSA Zipcar for Business Plan.

### Worried About Long Term Care?

The Federal Long Term Care Insurance Program (FLTCIP)  
**has raised its rates by as much as 25%**

*AFSA Plans are still discounted  
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## AFSA On Your Side

### Annuity Overpayments Again

Several years ago the department did an inventory of annuity accounts and discovered that as many as 200 annuitants had been overpaid. Many of the errors in computation had been made by the department, but, nevertheless, it held retirees to a strict standard of whether they “should have been aware” of the overpayments and required them to repay the debts.

Recently, the department pressed a claim against the widow of one such retiree. Acting on the assumption that she was required to repay the balance of the debt of her deceased husband, the department reduced her survivor annuity to satisfy the debt.

In May, AFSA sent a letter to the department questioning this action and asking that it explain the specific legal basis for reducing the widow’s survivor annuity to satisfy her husband’s obligation. The department in a September 29 letter, conceded that deducting the debt from her survivor annuity had been an error and stated that it would repay the deductions. The department went on to say without explanation, however, that it would pursue the collection of the debt from her husband’s estate.

It should be noted that survivor annuities, as well as jointly held property and accounts, do not pass through an estate but go directly to the survivor by operation of law.

AFSA will ask the department to make sure that no other survivor annuities are being reduced

### Foreign Service Grave Markers

AFSA and the Director General have received a proposal for a grave marker program for the Foreign Service. The letter reads in part:

Recently my father who completed a career in the Foreign Service passed away. As we discussed what to put on his gravestone it occurred to us that it would be nice to place a device representative of his service in the foreign service to show this center aspect of his life...As a member of the military I know that military personnel can obtain a grave marker or device...We tried to find a similar program for foreign service personnel. After all, foreign service officers swear the same oath to protect the constitution of the United States of America from all enemies foreign and domestic, they play a vital role in our national security and even perform their job in hazardous areas of the world...A standardized approved device to place on the graves of former foreign service officers might accomplish the following: Honor the unique service of our diplomatic corps. And mark for family, friends, and local communities, how many Americans serve in this capacity.

We would be interested in hearing your views about whether AFSA should offer or assist in offering a grave marker program, similar to that of the military. (The department is unable to take this program on.)

A standardized metal marker or medallion for placement on a tombstone or memorial could be created, perhaps with the Great Seal of the United States, and purchased in bulk to reduce the cost for Foreign Service families.

Please send your views, including what you think the appropriate role for AFSA should be in this enterprise, to [brown@afsa.org](mailto:brown@afsa.org).

## From the Department

### Systems Implementation Announcement: GFACS Annuitant

As part of the Department of State's efforts to improve the performance of its compensation activities as well as to improve the service provided to its customers, we are replacing our legacy annuitant payment system with a modern rules-based system better suited to support the needs of the Department as well as its customers. The Global Foreign Affairs Compensation System (GFACS) Annuitant is expected to be operational in December 2010 (impacting January 3, 2011 payments) and will improve the Department's ability to more efficiently provide annuity payments, provide improved withholding capabilities in the future, and to ensure that the Department continues to comply with all federal and state compensation regulations.

As part of the implementation, the Department is reviewing the payments to individual annuitants to ensure accuracy under the new system. The new system will improve the accuracy of payments to annuitants, but may result in minor changes to the net amounts received by the annuitants.

These changes are as a result of two improvements that will be achieved under GFACS Annuitants:

The GFACS Annuitant system calculates net amounts with greater precision than the legacy system. The legacy system supports calculations only to two decimal places, whereas GFACS Annuitant allows for calculations at a more precise six decimal places. For this reason, some annuitants may see a minor change in their net annuity amount of 10 cents or less.

The GFACS Annuitant system ensures a greater compliance with federal and state compensation regulations, specifically in the areas of tax withholdings and garnishments. A small group of annuitants may see a change in their net annuity amount related to this increased compliance.

This announcement is part of an overall effort to inform current and future annuitants of the pending change. As part of this effort, the Department will attempt to contact each current annuitant, if any, with a significant difference in their net annuity amount to provide greater detail regarding any changes the annuitant may see as a result of the implementation. To assist in this effort, annuitants are encouraged to confirm their contact information via Annuitant Express at [www.employeeexpress.gov](http://www.employeeexpress.gov).

Individuals with questions regarding the implementation are encouraged to contact Payroll Customer Support at [payhelp@state.gov](mailto:payhelp@state.gov) or 800-521-2553.

Secretary Clinton will host the **annual State Department Retirement Ceremony** on Thursday, Dec. 16, 2010, to honor employees who retired between Oct. 1, 2009 and Sept. 30, 2010. There will be a reception immediately after the ceremony in the Benjamin Franklin Room. Any FY09 State Department retiree who has not received an invitation to the Retirement Ceremony by Nov. 1, should send an e-mail to [retirementceremony@state.gov](mailto:retirementceremony@state.gov), or call (202) 663-3600. Please watch the department Web site, [www.RNet.State.gov](http://www.RNet.State.gov) for information on the time, date and place of the ceremony.

The Department will hold the **46th Annual Foreign Affairs Day** on May 6, 2011, with a special program of speakers and a luncheon for retirees in the Benjamin Franklin room. Retirees are invited to call (202) 663-3600 or e-mail [foreignaffairsday@state.gov](mailto:foreignaffairsday@state.gov) to register.

## Letter to Fiscal Commission

On Oct. 14, AFSA and 17 other members of the Federal-Postal Coalition sent a letter to the National Commission on Fiscal Responsibility and Reform. The signatory organizations, who collectively represent 4.6 million federal and postal workers and annuitants, urged the commission to protect the compensation and retirement benefits of federal workers, retirees, spouses and survivors in their recommendations to Congress for reduction of the deficit.

## Support AFSA Through CFC

Designate #11759 and #10646 on your CFC pledge card to support AFSA!

The AFSA Scholarship Fund, which has changed its name to Foreign Service Youth Scholarships-AFSA (CFC #11759). It continues to provide need-based scholarships and merit awards to Foreign Service children. Visit <http://www.afsa.org/scholar/CFC11759.cfm>.

The Fund for American Diplomacy has changed its name to Diplomacy Matters-AFSA (CFC #10646). It

continues to educate the public about the importance of diplomacy and having a strong U.S. Foreign Service. Visit [www.afsa.org/CFCFAD.cfm](http://www.afsa.org/CFCFAD.cfm).

Individuals can make CFC donations using their credit/debit cards. Go to [www.cfcnca.org](http://www.cfcnca.org) to give online. Retirees must set up an account through a work or home e-mail account and enter the reporting number "4155200" to assure their donations are credited to the State Department.

State Department employees can donate online through Employee Express and spread payroll deductions evenly across 26 pay periods beginning in January 2011. Go to [www.employeeexpress.gov/DefaultLogin.aspx](http://www.employeeexpress.gov/DefaultLogin.aspx).

Bonnie Brown

Retiree Counseling and

Legislative Coordinator

Monday through Wednesday

(202) 944-5509 or 1 (800) 704-2372, ext. 509

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