



AFSA NEWSLETTER

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June 2013

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Enhancing Retiree Services

Our Latest Prospective Retiree Survey

In recent years only about 25 percent of AFSA active-duty members have become retiree members.

In commissioning a recent survey, AFSA sought to find out why only this modest proportion of employees join as retiree members and why the majority of retirees do not. The survey, which was jointly produced with George Washington University students, asked active-duty members approaching retirement (most within five years) a series of questions that revealed some interesting and useful findings. The survey was sent to a sample of 328 active-duty members, age 50 and older (out of a pool of 655 senior members), over 27 percent of whom responded.

There are several survey findings that are of particular interest. We hope that they will provide a starting point for AFSA discussion and action to better address the concerns of members nearing retirement and, in so doing, increase our retiree membership.

First, most respondents say they are aware of retiree membership, retiree board members and retiree professional staff because of AFSA publications. But significantly, they did not hear about retiree activities from Governing Board member or members. Moreover, only low percentages of respondents indicated they knew about the process for becoming a retiree member and about other AFSA retiree membership benefits.

Second, when asked to rate retiree benefits, respondents rated benefits related to services specific to retirees and exclusive to AFSA the highest. The two most highly rated were legislative advocacy for federal benefits and information about federal benefits: those rated lowest were theater and clothing discounts.

Third, a large majority of respondents (75 percent) want to see AFSA focus more on federal benefits.

Fourth, while 49 percent of the respondents indicated that they intended to become retiree members, 50 percent were unsure about joining. The primary reason given for being unsure or deciding not to join (61 percent) was that respondents would be moving out of the D.C. area.

The survey group recommended that AFSA:

- Better inform potential retiree members about membership benefits and the process for joining;
- Market AFSA advocacy for federal benefits to all future or current members; and
- Develop membership benefits that meet the needs and interest of members living outside of the D.C. area.

Focusing more on federal benefits may be the key to attracting retiree members, including those located outside the D.C. area, particularly in a political climate in which federal benefits and federal employees have become easy targets. Thus, the governing board may consider devoting more attention to benefit issues and dedicate funds to encourage congressional support for preserving benefits.

With respect to meeting the needs and interests of members living outside the D.C. area, AFSA could, by amending the bylaws, decide to institute virtual participation in board and committee meetings and other activities. In the meantime, we will make efforts to better explain our efforts on behalf of retirees and the process of becoming a retiree member. Survey results are available on our Webpage at afsa.org/retiree.

Let's Get Started

How to Become a Retiree Member

It often comes as a surprise to recent retirees to find out that they are no longer AFSA members.

After years of membership automatically rolling over from year to year and dues automatically being taken out as payroll deductions, the process suddenly changes. Retirees have to fill out new membership forms and authorize automatic deduction of dues from their annuity deposits, all in the midst of the arduous process of retiring.

AFSA has asked the State Department to automatically roll over active-duty to retiree membership, but the department has said that it cannot do this.

This has made it more difficult to retain our members as retirees who, although no longer part of our bargaining unit, remain members of the professional side of our organization.

A recent AFSA survey indicates that we have to better explain how to join as a retiree member, and our experience shows that we have to figure out how to make the process as simple as possible.

Here is what you need to know:

- A retiree may join as an AFSA retiree member, either by:
 - Filling out a annuity deduction form (SF 1187A) that authorizes automatic deduction of dues from his or her annuity, or
 - Filling out an membership application (Form 2031) and attaching a check or credit card information or applying by phone.
- The forms are available on the AFSA Web site: https://www.afsa.org/become_a_member.aspx
- *For continuing membership*, applicants should submit the annuity deduction form to AFSA electronically or by mail, e-mail or fax. AFSA will then complete its portion of the form and submit it to the department, which will begin automatic deductions. The automatic deductions will then

roll over from year to year unless the member chooses to end his or her membership.

- *For year-to-year membership*, applicants should submit membership forms to AFSA by mail, e-mail or fax. Prospective members can also sign up over the phone by calling (202) 338-4045, ext. 525.
 - AFSA will process the check or credit card payment. Retiree members who pay by check or credit card pay their dues on an annual basis and will be billed once a year.
- Joining AFSA as a retiree member is not part of the retirement process. Rather, retiring active-duty members must rejoin individually as retiree members.
- Applications for retiree membership should be submitted to AFSA and not to the department.
- Looking ahead, AFSA will inaugurate a new database in January 2014, which will make the on-line membership process more user-friendly.
- For your convenience, we have included the two retiree membership forms as an insert in this issue of the *Newsletter*.

Useful Contact Points

E-Mail: membership@afsa.org

Tel: (202) 338-4045, ext. 525

FAX : (202) 338-6820

Web site: [afsa.org/become_a_member.aspx](https://www.afsa.org/become_a_member.aspx)

Address: Membership

AFSA

2101 E Street, N.W.

Washington, D.C. 20037

Retirement Security

Which Has More Impact on Retirement Income: High Five or Chained CPI?

This article, which was published by Fed Smith on May 15, 2013, was co-authored by Ann Vanderslice and Ralph Smith. The copyrighted article is reprinted here with the written consent of the authors.

As explained in a recent article, the president's budget proposal calls for a chained consumer price index (CPI or "chained CPI") to calculate future changes to the COLA for calculating the cost of retirement increases. President Obama's proposal follows a similar proposal by the House Republican Study Committee to adopt the chained CPI.

With support in both parties for the measure, we can assume there is a possibility that this proposal has an increased chance of becoming a reality. The proposal, if it were to be adopted, would apply to calculating the cost of living increase for Social Security and for any increases in federal retirement calculations.

Several readers wrote to ask several variations of the same question: "How much of a difference would the chained CPI make in my retirement calculation?"

The proposal would eliminate the use of another method for computing inflation when paying out retirement benefits (the CPI-W). As we have noted before, the current method of calculating inflation costs for future retirement payments does not reflect the actual costs that most retirees experience.

The chained CPI would further cut into the amount of any increase for federal retirees. Cutting through the technical jargon, the proposal would result in a cut in the benefits to retired federal workers and to those who are collecting Social Security.

How much of an impact would the change have on your future retirement?

Federal retirement expert Ann Vanderslice points out the following link <http://www.narfe.org/legislation/calculator.cfm> to NARFE's calculator that illustrates the cost of the chained CPI to future retirees:

- On \$30,000 pension over 5 years you would lose \$1,456

- On \$30,000 pension over 10 years you would lose \$5,872
- On \$30,000 pension over 15 years you would lose \$14,111
- On \$50,000 pension over 5 years you would lose \$2,426
- On \$50,000 pension over 10 years you would lose \$9,788
- On \$50,000 pension over 15 years you would lose \$23,518.

While federal employees tend to get anxious about the prospect of changing the current high three annuity formula to a formula that uses the high five average salary, this change would not have the greatest impact on a federal retiree's long term income. The greater impact would result from the proposal to move to a chained CPI.

When you think that the chained COLA would impact not only federal pensions but Social Security, the proposal to move to a chained CPI is a significant proposal that could impact your future retirement income.



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Our Fallen Colleagues

The 2013 Plaque Ceremony

On May 3, Foreign Affairs Day, AFSA held its 80th annual Memorial Plaque ceremony, honoring eight Foreign Service employees who gave their lives in service to the United States. At the ceremony, AFSA President Susan R. Johnson introduced Vice President Joseph Biden and Secretary of State John Kerry to family members and friends of the fallen. The solemn and historic occasion was marked by the words of condolence of the vice president and Secretary of State.

Through these remarks, the heroes were remembered for their dedication, fearlessness and commitment to service, despite the risks and dangers of a Foreign Service career. They were also remembered as sons, daughter, husbands, fathers, sister, brothers, friends and colleagues to the many people their lives touched.

In both Vice President Biden's heartfelt speech and Secretary Kerry's warm remarks, the officials highlighted the courage and patriotism of the men and women of the Foreign Service, as well as the role and sacrifices of their families. Here are some excerpts::

The Honorable Joseph Biden, Vice President of the United States:

"What [most people] don't know, and you can't blame them for not knowing, is that in many places in the world, [Foreign Service personnel] are as much a soldier as anyone in uniform," he said. "What [most people] don't know and you can't expect them to know, is that [these employees] take risks that sometimes exceed those of the women and men in uniform."

The Honorable John F. Kerry, Secretary of State:

"The most important thank-you that we can all give—and we do—is to the family members. I know this is a mixed day. It's a hard day. It's a day that brings back pain, but it's also a day, I hope, of comfort and of pride in knowing that the contributions and the memories of your loved ones are a permanent part of the State Department, as strong as the marble which will carry their names for eternity. Today we add eight names to our wall of honor, eight people who dedi-

cated their lives to service. And to a person, each one sought out the most difficult assignments. They understood the risks, and still they raised their hands and they said: 'Send me.'"

Eight names were added to the plaque at the 2013 ceremony: Anne T. Smedinghoff, who died in Afghanistan on April 6, 2013; the four heroes of Benghazi (Ambassador J. Christopher Stevens, Sean Smith, Glen Doherty and Ty Woods), USAID employee Ragaei Said Abdelfattah, who died in a terrorist bombing in August 2012 in Afghanistan, and two Foreign Service members, Joseph Fandino and Francis Savage, who died during the Vietnam War.



Photo courtesy of Donna Ayerst

A Ride to Remember

Among those honored at the Plaque Ceremony was Glen A. Doherty, a Foreign Service Specialist who lost his life in the Sept. 11 Benghazi terrorist attack.

Three nephews of Glen Doherty were among the family members present to honor his memory. The boys, ages 6, 11, and 12, were in for a special surprise when the vice president and the Secretary of State greeted family members at the conclusion of the ceremony.

When the children had their chance to talk to Vice President Biden and Secretary Kerry, they showed them the department coins that their uncle had collected from different agencies and given to them.

The 2013 Plaque Ceremony Continued

During the exchange, the oldest shared seven coins, and the youngest proudly pulled out a single one from his pocket.

Vice President Biden then invited the boys to ride in his motorcade back to his residence, where they had photos taken with him.

This was surely an experience that will last a lifetime. *Jennifer Lowry, Outreach Intern*

Wall of Honor

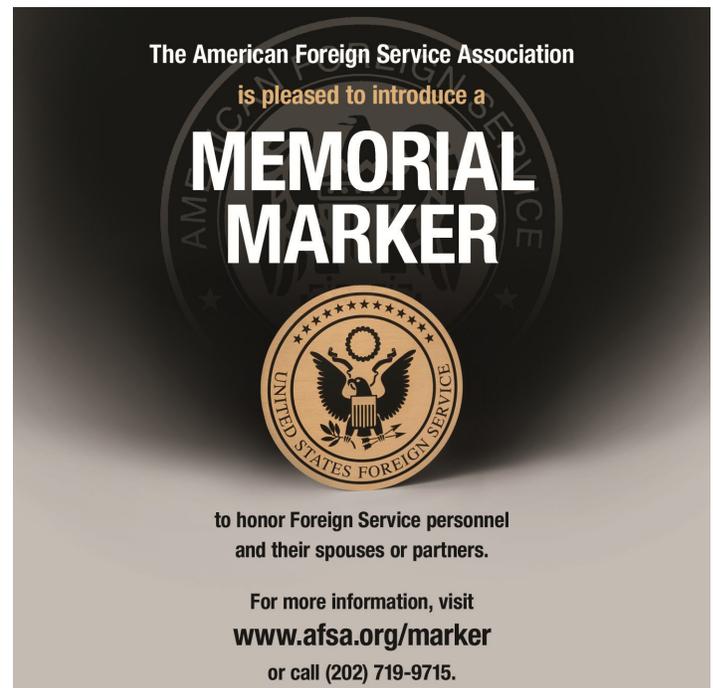
In April the Office of Personnel Management dedicated a Wall of Honor at its building to commemorate federal civil servants who have died in the line of duty. The elements and layout of the Wall of Honor are clean and simple, and serve as a symbolic representation of the diversity and inclusivity of the federal work force.

The wall features 52 stars that represent federal employees from the 50 states, the District of Columbia and U.S. territories and reads, "In grateful memory of Federal civilian employees who gave their lives for our country."

Former OPM Director John Berry, who was instrumental in establishing the memorial, read the following at the dedication ceremony: "Each day, federal workers protect and defend the Constitution of the United States—often at personal risk. Together, they are part of the extraordinary experiment in freedom, self-governance, and service to others that we call America. The Wall of Honor marks our gratitude to the men and women in federal civilian service who have made the ultimate sacrifice in the line of duty."

Announcement

The Foreign Service Retirees' Investment Club, which usually meets in the McLean Library on the fourth Monday of each month, has a few openings. Anyone interested should contact Louise Crane at (301)942-2692 or diplo65@verizon.net, or Dick Thompson at (301) 229-6442 or ri-sath@aol.com.



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www.afsa.org/marker
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AFSA and the Hill

On May 9, AFSA President Susan R. Johnson attended an event hosted by the Federal-Postal Coalition for Congressman Chris Van Hollen, D-Md.. AFSA is one of over two dozen coalition unions that collectively represent over five million members.

The event gave President Johnson, along with representatives of other federal unions such as American Federation of Government Employees and the National Treasury Employees Union, the opportunity to discuss federal benefits and the recent impact of sequestration with Rep. Van Hollen. She also had the opportunity to discuss the idea of establishing a new bipartisan Foreign Service Caucus in the House of Representatives with Rep. Van Hollen.

Both on its own and as a member of the coalition, AFSA will continue to engage members of Congress on the importance of federal benefits.

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www.afsa.org/retiree/

Pension Advances Scam Seniors

Retirees and their pensions are being targeted by a new scam: the promise of cash today in exchange for future pension income.

This practice, known as a pension advance, is not advertised as a loan, which would require companies and lenders to adhere to usury laws, licensing regulations and the federal Truth in Lending Act. By circumventing current legislation the companies can hide the actual cost of borrowing. The “advances” can carry interest rates of 100 percent or more. Moreover, in order to qualify some borrowers have been required to pay for a life insurance policy that names the lender as sole beneficiary.

Though these companies insist that they are not lenders and these advances are not loans, state regulators, as well as the National Consumer Law Center are working to end this practice and to bring them under the existing laws protecting consumers.

AFSA recently met with the office of Representative Matt Cartwright, D-Pa., who is working on a biparti-

san agreement to fix this problem. They are working on comprehensive legislation to attack this problem on several fronts.

If you or someone you know has been targeted by companies promising cash for future pension checks, please contact AFSA so we can share this information with Rep. Cartwright’s office and the National Consumer Law Center.

Book Notes: 50 Years in USAID

AFSA's ongoing Book Notes series presents "50 Years in USAID: Stories from the Front Lines." This collection contains 115 brief essays by past and present USAID staff and administrators. Editor Janet Ballantyne and a number of contributors will discuss the book and answer questions. Copies will be available for purchase, courtesy of the Association of Diplomatic Studies and Training for \$15. The program takes place at AFSA HQ, 2101 E Street NW, at 2 pm on Thursday, July 11. Please RSVP to events@afsa.org.

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MOMENTS FROM DIPLOMATIC HISTORY

Benghazi I: The 1967 Attack on the U.S.

The circumstances seem all too familiar — political turmoil leads to angry mobs storming the U.S. compound in Benghazi, except this incident took place in June 1967. In this excerpt from his oral history, John Kormann describes his experience as officer-in-charge at Embassy Benghazi, when it was attacked and burned in June 1967.

The most harrowing experience of my Foreign Service career occurred in Benghazi at the outbreak of the 1967 Arab-Israeli war. Convinced by propaganda broadcasts that U.S. Navy planes were attacking Cairo, Libyan mobs, spurred on by 2000 Egyptian workers building a pan-Arab Olympic stadium in Benghazi, attacked the Embassy. The streets were being repaired and there were piles of rocks everywhere, which the mob put to use. A detachment of soldiers provided by the Libyan Government to protect us was overwhelmed. The embassy file room was full of highly classified material, which we desperately tried to burn. The embassy had been a former bank building, with a heavy safe-type front door and barred windows. The mob finally battered its way in. They pushed themselves in through broken windows and came at us cut and bleeding.

We were well armed, but I gave orders that there be no shooting, so we met them with axe handles and rifle butts. Dropping ear gas grenades, we fought our way up the stairs and locked ourselves in the second floor communications vault. We were able to continue burning files in 50-gallon drums on an inner courtyard balcony using Thermite grenades. There were 10 of us in the vault, including two women. The mobs set fire to the building. The heat, smoke and tear gas were intense, which while terrible for us, blessedly forced the mob from the building. We only had five gas masks for 10 people and shared them while we worked. We came out of the vault several times during the day to use fire extinguishers to control blazes and spray down walls.

Our own destruction of files using Thermite sent up huge clouds of black smoke from the center of the building, probably adding to the impression that those of us inside were dying. With no power, we managed to send sporadic messages throughout the day using an emergency generator. Efforts by British troops to come to our aid were called off several

times. A British armored car was destroyed by the mob in the vicinity of the Embassy by pouring gasoline down the hatch and setting it afire with an officer and four soldiers inside. The British Embassy and British Council offices had been attacked and set afire, as were the U.S. Information Service center and my former residence.

I might mention something here because many people asked me about it afterward. At one point the mob used a ladder to drop from an adjoining building on to our roof, catching us trying to burn files there. After a struggle they drove us back into the Embassy. They cut the ropes on the tall roof flag pole, leaving the flag itself hanging down the front of the building. An Army Military Assistance Advisory Group captain who was with us requested permission to go up on the roof and raise the flag. I dismissed his request, saying it would be counterproductive. Later when things looked very bleak and our spirits were waning, he came to me again in front of the others. I told him I would think about it. I had been a combat paratrooper in WW II and had seen what defiance and a bit of bravura could do for soldiers under mortal stress.

Afterward I said, "Go ahead, raise the flag!" He did so with considerable daring, the mob going crazy below and the rocks flying. The reaction among my people was profound. I could see it in their eyes, as they worked on with grim determination under those conditions to burn files and render cryptographic equipment inoperable.

When late in the day (remember the attack began in the morning), we received word that a British rescue attempt had again been postponed for fear that lives might be lost, I took a photograph of President and Mrs. Johnson off the wall, broke it out of the frame and wrote a message on the back to the President saying something to the effect that we have tried our

best to do our duty. Everyone signed it. When an inspector subsequently asked me about that, I could tell him that people will respond to the call of duty given the chance.

We sent our last message at about 6:00 p.m. I learned later from a friend who was in the Opera-

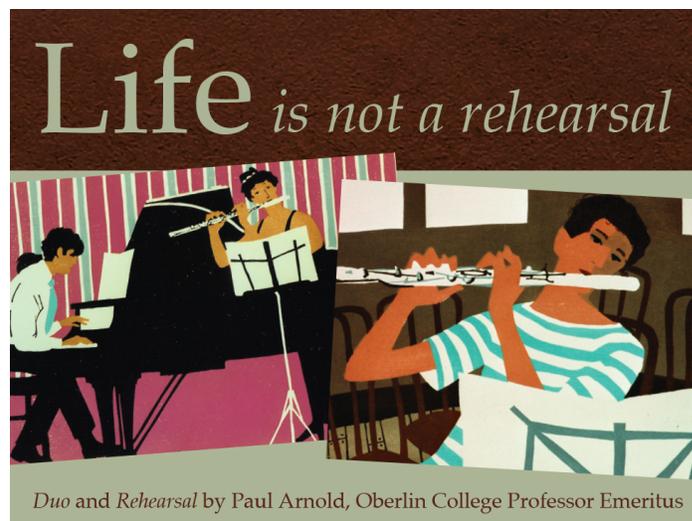
Continued from page 7

tions Center in Washington that it came in garbled, leading to the impression that we were burning alive. At that Secretary Rusk called the British Foreign Secretary with a further plea to get us out. At 8:00 p.m. a British armored column arrived and took us by truck to D'Aosta Barracks, their base on the outskirts of town. Libya had been a British protectorate after WW II and they still maintained a small military contingent outside of Benghazi under an agreement with King Idriss. The British were magnificent, rescuing us and then helping us bring hundreds of Americans to their camp, where they fed us and gave us shelter.

From the Association of Diplomatic Studies and Training Great Moments in Diplomatic History at <http://adst.org/2013/05/the-attack-on-the-u-s-compound-in-benghazi-september-11-2012/>

Phased Retirement

The Office of Personnel Management's proposed regulations for phased retirement address only the Civil Service. The department, however, has begun to analyze whether and how this program could be implemented for the Foreign Service. We will keep you updated.



Duo and Rehearsal by Paul Arnold, Oberlin College Professor Emeritus

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