



NARFE BUZZ

Western Montgomery County Chapter 258 - Chartered November 10, 1953
National Active and Retired Federal Employees Association
(Formerly the Bethesda - Chevy Chase and Gaithersburg Chapters)

May / June 2016

Our Next Chapter Meeting – And Up Coming Events

Our Friday, May 13th chapter meeting will be at the Mykonos Grill, 121 Congressional Avenue, Rockville, MD; members who wish to come for lunch may arrive at 11:30 a.m., with the meal being served at 12:00 noon. The cost is \$25.00 per person, payable either in cash, or checks made out to “Mykonos Grill” (please, no credit cards). Those who do not wish to come for lunch may arrive at 1:00 p.m. Our program will be a Maryland legislators’ forum.



Monday, May 2nd and Tuesday, May 3rd, NARFE MD Federation Mini-Convention, Bowie, MD.

Monday, May 9th, Chapter Executive Board meeting, Ledo’s Pizza, 10300 Westlake Drive, Bethesda, MD, 10:00 a.m.

Friday, May 13th, Chapter meeting, MD Legislators’ Forum, at the Mykonos Grill, Rockville, MD. The Mykonos Grill is a short walk from the Twinbrook Metro station. There is plenty of free parking.

Sunday, August 28th to Thursday, September 1st, NARFE National Convention, Reno, NV

Tuesday, September 6th, Chapter Executive Board meeting, Ledo’s Pizza, 10300 Westlake Drive, Bethesda, MD, 10:00 a.m.

Friday, September 9th, Chapter meeting, at the Mykonos Grill, Rockville, MD.

President’s Corner

Charles Garfinkel

Before I proceed with this month’s message, I want to remind all members to update their e-mail addresses on file with NARFE to ensure you receive both important information and also the e-copy of the Chapter’s newsletter. In an effort to reduce the expense to produce and mail the newsletter, without sacrificing appearance and quality, the Chapter will be sending an e-copy to members whose e-mail addresses are on file at NARFE.

Our next membership meeting, scheduled for May 13, 2016, at Mykonos Grill will be the annual Legislators’ Forum. The Legislators will talk about the accomplishments from the 2016 State Legislative session. The invited speakers will be Senator Madaleno (District 18), Senator Zucker (District 14), and Delegate Korman (District 16). The meeting will provide you the opportunity to meet with the legislators and to ask questions about issues/concerns you may have.

At this meeting two Chapter members will be receiving the Distinguished Annuitant Award. The awards will be presented by Jennifer Malave, Account Manager, Carefirst Blue Cross Blue Shield.

At the April meeting, the speaker, Brian Della Rocco from the “KDR Law Group,” talked about “Estates and Trusts.” Brian explained that Estate planning is the process of setting up the legal framework. At its core, it includes the preparation of a durable power of attorney, advance medical directive (which includes a living will), and last will and testament. A good estate plan should coordinate the beneficiary designations for your retirement assets and life insurance benefits with your overall plan. An estate plan does not reach its full potential if your beneficiary designations for your potentially largest assets (retirement plans and life insurance) are not coordinated.

In Brian’s talk about Probate, he indicated that “assets held as joint tenants with the right of survivorship with someone else

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or as tenants by the entirety with your spouse are not probate assets.” Retirement assets and life insurance proceeds also are not probate assets. Brian stated that Probate in Maryland is a fairly easy and streamlined process. “For estates where only family will be receiving assets, an abbreviated, even more streamlined form of probate is available (referred to as “modified Administration”).”

Brian explained that a Revocable “Living” Trust was a trust where the grantor retains total control over the assets in the trust, uses his/her own social security number as the tax identification number of the trust, and can freely amend and/or revoke the trust. The main reasons one would use a revocable “living” trust were: to avoid probate; ease of transition in the event of disability; ownership of real estate in multiple jurisdictions; and privacy concerns.

Brian stated that Maryland currently has two Death Taxes. The first is the Maryland Estate Tax and the second the Maryland Inheritance Tax. The first is a tax on the overall value of the assets owned by the deceased person (including retirement assets, life insurance, and revocable trust assets) in excess of the exemption (currently \$2 million). The tax rate ranges from 8% to 16%. Over the next few years the exemption will rise to equal the Federal amount of \$5.43 million. The second tax is a flat 10% tax on the transfer of assets from a Maryland deceased person to a beneficiary (friend, niece, nephew or other family members).

Federal Long Term Care Insurance Program (FLTCIP). For those members who are enrolled in the FLTCIP, NARFE is reporting that the Office of Personnel Management (OPM) has awarded a new seven-year contract to John Hancock Life and Health Insurance Company. Both OPM and the Long Term Care Partners who administer the FLTCIP have informed NARFE that rates for current enrollees are being finalized but are expected to rise substantially. The rate change is expected to take effect in the fall of 2016. Long Term Care Partners will send every current enrollee a letter prior to the effective date of the premium increase explaining the benefit options that could mitigate the premium increases. NARFE was disappointed to learn about the rate increase and plans to stay on top of this disappointing development, conferring with OPM and the Long Term Care Partners.

NARFE Federal Benefits Institute provides both live and prerecorded learning events through Webinars that NARFE members can use to better understand their Federal benefits. Members should go to the NARFE website, on the left side column under Resource Library and click on Webinars to see what is scheduled. If a member is interested in a coming

event(s) then they must register for the webinar. On May 10, 2016, the Webinar program will be on **Survivor Benefits: Key Decisions for Feds of all Ages**. This is a 60 minute program. Other programs that may be of interest to members are **Health Insurance (FEHBP) & Medicare: Make the Best Choice**, scheduled for October 13th, and **Alphabet Soup of Health Plans** scheduled for November 17th. Members will be reminded in the newsletter as the dates approach.

Conflict of Interest Rule Finalized. NARFE reported that the Department of Labor (DOL) published a final conflict of interest rule to ensure individuals saving for retirement and retirees are protected by a “best interest” or “fiduciary” standard when receiving investment advice. NARFE testified at the DOL hearing: “Because rollovers are not covered by the existing definition of fiduciary investment advice, financial advisers may legally recommend that TSP account holders roll over their TSP holdings into an IRA, where the money may be invested in the same, or essentially similar, products, such as an S&P 500 index mutual fund, for as much as 20 times the cost. Due to economies of scale, TSP funds charge very low administrative fees – on average, 0.029 percent.

While there are some legitimate reasons an investor might seek to roll over TSP holdings into an IRA – including the investor’s higher tolerance for risk, a desire to invest in some asset types not available in the TSP funds, and wanting expanded withdrawal options – in most cases, federal employees and retirees are better off leaving their money in the TSP. Yet, more than 50 percent of TSP participants removed their funds from the TSP within a year after separating from service, according to the latest report by the Federal Retirement Thrift Investment Board (FRTIB).” Anyone considering moving their TSP funds should do his/her homework and consult more than one financial advisor. The new DOL rule is to be phased in starting April 10, 2017 with full compliance being required by January 2018.

The 34th Biennial NARFE National Convention will take place August 28 – September 1, 2016 in Reno, NV, at the Grand Sierra Resort and Casino. Chapter 258 will be authorized to have 30 delegates. You can register online now by going to the convention website at www.narfe.org/convention2016. A mail-in registration form appears in the April 2016, issue of NARFE magazine. Call the hotel directly at 800-648-5080 to make hotel reservations. NARFE hotel room rates are \$79 (plus tax) for a Tier 1 (standard) room and \$129 (plus tax) for a Luxury Summit Room. The deadline for hotel reservations is July 24, 2016. This year’s theme is “Progress. Protect. Persevere.” The registration fee for all convention attendees is \$99, if paid by August 1st. On-site registration is \$125. The banquet will be held on Thursday evening, September 1. Tickets are \$70 per person.



Larry Lange and Connie Price greet members at each monthly Chapter 258 membership meeting at the Mykonos Grill



Chapter 258 President Charlie Garfinkel (center) presenting Attorney Brian Della Rocca (right), speaker at our April 8th Chapter meeting, a copy of Chapter member Judy Welles' (left) book, "Cabin John: Legends and Life of an Uncommon Place."

Proposed Tax Cut Bills In Maryland's Last Legislative Session

Dave Richman, State Legislation

Maryland's legislative session ended April 11, 2016 and two Bills, Senate Bill SB 387 and House Bill HB 455, that the NARFE State Legislative Committee strongly supported were not passed. These Bills included an increase in the income tax exemption for taxpayers and their spouses age 65 and above from \$1,000 to \$5,000 phased in over a four-year period starting in 2017. We strongly believed these Bills, supporting a proposal by Governor Hogan, would benefit not only NARFE retirees but many others in our state's growing senior population. The increased consumerism created by this reduction would meaningfully reduce some of the state's loss in tax revenue created by the tax exemption increase.

We believe this major issue, left on the table this year, will be proposed again next year and we need to plan for it and strongly support it.

An article in *The Washington Post's* April 13th issue quoted House speaker Michael Busch and Senate President Thomas V. Mike Miller as saying that "negotiations over the tax-cut package collapsed because the House and Senate differed over who should benefit from tax relief. While there apparently was bipartisan agreement in the General Assembly to reduce income taxes, tax cuts ultimately failed.

We (the State Legislative Committee) sought to have NARFE members support these bills by contacting their senators and delegates by mail, e-mail or telephone. Some did, but our numbers did not accomplish their objective.

NARFE represents you at the federal and state levels and needs your active support to achieve your objectives and to protect or increase your benefits and tax exemptions!

You can reach your Governor, senators or delegates to complain, praise or support your interests and need to do so when the general assembly is in session from January through April but also throughout the rest of the year.

The Governor's e-mail is governor.mail@maryland.gov. You can reach any of your legislators through e-mail or mail by using www.mgaleg.maryland.gov to get their snail or e-mail addresses, or you can use the toll-free number for the General assembly switchboard (1-800-492-7122) to reach you legislator by phone.

Treasurer's Report

Larry Lange, Treasurer

Chapter 258, Funds Summary, April 4, 2016:

Checking Account	\$ 12,578.06
The Certificate of Deposit was closed March 29, 2016 and deposited into the Chapter's checking account	\$ 2,477.08
ENDING BALANCE	
(Total Chapter Assets)	\$ 15,055.14
WORKING CAPITAL, Chapter 258	\$ 15,055.14

Western Montgomery County Chapter 258
 National Active and Retired Federal Employees
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**THIS IS YOUR CHAPTER 258 NEWSLETTER
 PLEASE READ !! 😊**
**Our May 13th Chapter meeting will be our annual MD State
 Legislators' Forum – please plan to attend to meet and hear
 your legislators discuss the recent State Legislative Session**

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