



# NARFE BUZZ

*National Active and Retired Federal Employees Association*  
Western Montgomery County Chapter 258 - Chartered November 10, 1953  
*The largest NARFE Chapter in the country!*

February 2018

## **Our Next Chapter Meeting – And Upcoming Events**

**Our Friday, February 9th Chapter meeting** will be at the Mykonos Grill, 121 Congressional Lane, 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 speaker will be Ms. Lois Fishman, who will discuss 2017 taxes.**

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**PLEASE NOTE:** If Montgomery County Public Schools either have a delayed opening or are closed due to inclement weather on the day of either our **Chapter Board meeting OR our Chapter membership meeting**, that meeting will be **cancelled**.

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**Chapter Executive Board meeting Monday, February 5th,** Ledo’s Pizza, 10300 Westlake Drive, Bethesda, MD, 10:00 a.m.

**Maryland Federation Board Meeting, Tuesday, February 6th,** Comfort Inn, Bowie, MD, 9:30 a.m. - 3:30 p.m.

**February Chapter meeting will be on Friday, February 9th,** at the Mykonos Grill, 121 Congressional Lane, Rockville, MD.

**Chapter Executive Board meeting, Monday, March 5th,** Ledo’s Pizza, 10300 Westlake Drive, Bethesda, MD, 10:00 a.m.

**March Chapter meeting will be on Friday, March 9th,** at the Mykonos Grill, 121 Congressional Lane, Rockville, MD.

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

**April Chapter meeting will be on Friday, April 13th,** at the Mykonos Grill, 121 Congressional Lane, Rockville, MD.

**Maryland Federation Mini-Conference, Monday, April 30th and Monday, May 1st,** Comfort Inn, Bowie, MD, 9:30 a.m. - 3:30 p.m each day.

**PLEASE !! If you have a “winter” address, have a change of your local address or your E-mail address, or haven’t provided us with your E-mail address – it is very important to let our Chapter president, Charlie Garfinkel, know. His contact information is on the back page of this newsletter – thanks!**

## **PRESIDENT’S CORNER**

*Charles Garfinkel*

I want to thank the 23 members who elected in December to be reinstated in Chapter 258. In November 2017, Chapter 258 mailed letters to members who knowingly or unknowingly had transferred out of the Chapter when they renewed their NARFE membership. Realizing the benefits of Chapter membership (e.g. Chapter newsletters, receiving information on State issues affecting seniors, etc.) they chose to be part of our Chapter. If you know of a former Chapter member who is currently a National only member please inform them that they can request reinstatement to Chapter 258.

**As indicated in earlier issues** of the NARFE BUZZ, 2018 could be a difficult year with both Federal employees’ (pay and benefits) and retirees’ (benefits) being under attack. As I write this message, many Senate Democrats reversed course on Monday, January 22<sup>nd</sup>, acquiescing to a three-week continuing resolution to fund agencies through February 8<sup>th</sup>. Lawmakers also need to work to reach a deal on raising the spending caps. While Democrats have demanded that the caps be raised equally for defense and non-defense spending, if the caps are not raised sequester will kick in, in accordance with the 2011 Budget Control Act. If spending caps increases are not reached, a fifth continuing resolution could occur.

Lawmakers must hear from NARFE members if we are to be successful in avoiding cuts to our earned benefits. We must stay alert and take the necessary action by using the [NARFE Legislative Action Center](#). There you can easily send letters urging your Representatives and Senators to not use Federal benefits to offset for raising sequestration benefit caps. Please keep in mind that politicians will regard **SILENCE** on an issue as an indication of **APPROVAL**.

Tax time is here again; for our February meeting the Chapter has asked Lois Fishman from Fishman Financial Services to talk about updates/changes to the current 2017 tax laws, and a little on the major changes for 2018.

**The speaker for our January 12th meeting** was Paul Schwartz, Chair, NARFE’s Maryland Federation’s State Legislative Committee (SLC). Paul talked about a few of the priorities in SLC’s 2018 State Legislative Program (SLP). These include: Tax incentives for Long Term Care Insurance, and what Maryland needs to do to keep seniors (retirees) from leaving the state once they retire. There was discussion

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on what relief the Governor may propose for seniors. The discussion also included the recently passed 2018 Federal Tax Code changes and the impact those changes is going to have on Maryland residents, mainly seniors. The SLC Chair was advised that a group in the legislature is reviewing the changes. This review of the changes to the Federal Tax Code could lead to possible hearings or proposed changes to the exemption or the State tax. The NARFE MD Federation and the SLC will ask about the result of this review, and if hearings are scheduled it will advise the NARFE Chapter Presidents.

Chapter Presidents can then let their membership know about the hearings. For Chapter 258 I plan to send E-mails advising members to contact their State Legislators about supporting or not supporting a bill that would provide either higher credits for pensions or lower tax rate. Maryland is one of the states where both the Income Taxes and the Property Taxes are high. Grassroots support by Maryland residents is needed to get the Legislators moving to reduce the tax burden on residents. The Maryland State General Assembly convened on January 10, 2018, and ends April 9th.

**For those members** making a permanent move, please provide your new address to NARFE, either at 606 N. Washington Street, Alexandria, VA 22314, call Member Records at (1-800-456-8410), or login to the NARFE website ([www.narfe.org](http://www.narfe.org)). On the left side of the page under *What You Can Do OnLine* click on *Update My Record* to access this section; you will need a password.

In order to ensure that members who are temporarily away continue to receive their Newsletters they should provide NARFE or me with their: **Winter Address, and or Email Address.** **With Congress looking to reduce our benefits, one way to stay on top of what is happening when you are away is though NARFE BUZZ.**

## MEMBERSHIP REPORT

*Dick Strombotne, Membership Chair*

**How to keep members.** As you may know by now, since last March this chapter has lost many members in the renewal process when they chose to transfer out of the chapter to NARFE-only status. Our first response was to send a letter to each of the 186 members who transferred out before November 11, 2017, and who still live in Maryland, and invite them to rejoin the chapter. More than 22 former members have transferred back.

More recently I have learned that the Membership Chair of Aspen Hill Chapter 1892 has sent letters to members in advance of their renewal dates reminding them to check the NARFE plus Chapter option in the renewal application. She has reported that the letter sent two months before the expiration date had the best response – almost every one renewed as a Chapter member. We can build on that experience.

I can prepare a list of names and addresses of members whose expiration date is two months off. Then prepare a mailing from a Mail Merge file that includes a personalized letter and envelope. I need one volunteer for the Membership Committee to print the letters and envelopes, stuff the envelopes, stamp and mail them. It would take about two hours a day once a month. The volunteer needs to have: (1) an email connection; and (2) a printer. Experience with Mail Merge in MS Word is not needed but could be useful. The chapter would cover expenses of printing and mailing. If you are interested and willing to help out on this effort to keep our members please contact me at 240.632.9881 or [DickS.narfe@comcast.net](mailto:DickS.narfe@comcast.net).

## TREASURER'S REPORT

*Larry Lange, Treasurer*

### Chapter 258, Funds Summary, January 8, 2018

Checking Account balance, 11/7/17	\$ 13,220.39
Receipts, 11/7/17 - 1/8/18	\$ 2,236.14
Expenses, 11/7/17 - 1/8/18	\$ 2,134.87
Checking Account balance, 1/8/18	\$ 13,321.66
Working Capital/Total Chapter assets	\$ 13,321.66

## MARYLAND TAX CODE VS FEDERAL TAX CUT BILL

*Dick Strombotne, Membership Chair*

Do you itemize deductions on your Maryland tax return, and is your Maryland Adjusted Gross Income (MAGI) less than \$150,000? If so, read on. This is for you. NOTE: big numbers ahead.

### The problem: what it is, who is affected, how big?

The biggest problem for Maryland taxpayers created by the Federal tax cut bill is the increase in the standard deduction for joint filers to \$24,000. A Maryland taxpayer who claims the federal standard deduction cannot itemize deductions on the Maryland return. The increase in the Federal standard deduction will affect mainly those MD taxpayers who itemize tax deductions, and specifically, those who are in the lowest Maryland Adjusted Gross Income (MAGI) classes up to \$150,000. The taxpayers who filed 998,603 returns in 2014 with MAGI less than \$150,000 claimed itemized deductions amounting to \$15.95 billion. They all would claim the Maryland standard deduction of \$2,000 for single filers and \$4,000 for joint filers worth about \$3.1 billion in 2018. The difference is \$12.85 billion and would amount to increases in their Maryland state and local income taxes of \$996 million, paid for by this limited segment of taxpayers.

### A possible solution.

The Maryland tax code can be modified to reduce the amount of Maryland state and local taxes on these taxpayers, but it also benefits the taxpayers who previously claimed the MD standard deduction. It is straight forward and needs only a few changes to the Maryland tax code. **It is to increase the standard deduction to \$8,000 for single filers and to \$16,000 for joint filers** while keeping the formula for standard deduction equal to

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15 per cent of MAGI above the lower limits of \$1,500 and \$3,000 respectively. The total benefits are a reduction in Maryland state and local income taxes amounting to \$894 million. The benefits would be 3.3 times greater for those taxpayers who previously itemized than for those taxpayers who previously claimed just the Maryland standard deduction.

**What to do?**

As of January 24, Sen. Serafini has introduced SB 318 that would increase the caps on the MD standard deduction for single filers to \$7,500 and to \$10,000 for joint filers. It would reduce Maryland state and local taxes by about two-thirds of the projected increase in taxes; itemizers would see reductions in state and local taxes by about 45% of the projected increase (\$447 million decrease v. \$996 million increase). There is no companion House bill as of 1/25/18. You can call your state senator and three delegates and let them know what you think about this suggestion for an increase in the MD standard deduction. It is easy. **Just call the General Assembly switchboard at 1-800-492-7122**, ask to be connected to your legislator, and give the staff person who answers your opinion. See what bills have been introduced regarding income taxes by clicking on:

<http://mgaleg.maryland.gov/webmga/frmMain.aspx?id=Q3&stab=01&pid=broadsubpage&tab=subject3&ys=2018RS>.

**COMPARING THE ROTH IRA TO THE ROTH TSP**

*Barbara Ray, Federal Legislative Committee and 2nd Vice President*

Individual Retirement Arrangements (IRAs) come in two flavors, regular and ROTH. All allow for limited annual contributions during your earning years. All are beneficial. Regular IRAs allow non-taxed contributions, but require taxed withdrawals during retirement.

**BEFORE Retirement Contribution Rules 2018:**

FILING STATUS	MAGI <sup>1</sup> Bracket 2018	ROTH IRA 2018	ROTH TSP 2017
Married filing jointly	< \$189,000	up to limit	More than 3 times as much with no income limit.
	≥ \$189,000 < \$199,000	reduced amount	
	> \$199,000	zero	
Married filing separately (lived together)	≥ \$10,000	zero	[This is the good part.]
Single or Married filing separately	< \$120,000	up to limit	
	≥ \$120,000 < \$135,000	reduced amount	
	≥ \$135,000	zero	

<sup>1</sup>MAGI = Modified Adjusted Gross Income

**AFTER Retirement Rules:**

FILING STATUS	MAGI <sup>1</sup> Bracket	ROTH IRA	ROTH TSP
Not applicable	Not applicable	No tax on withdrawals and none required	Annual withdrawals are required after age 70 ½.  Taxing possible under certain conditions.

<sup>1</sup>MAGI = Modified Adjusted Gross Income

ROTH IRAs allow taxed contributions but do not tax withdrawals during retirement. The ROTH TSP requires withdrawals after age 70 1/2. The major benefit of all IRAs is the chance to allow your contributions to grow tax free.

This overview is NOT tax advice, but an attempt to give you some grasp of your ROTH options. There are many details not addressed here. It is the tax code for goodness sake

**ON THE LIGHTER SIDE – SOME “SIGNS OF THE TIMES”**

**In a shoe repair store window:**

We will heel you. We will save your sole. We will even dye for you.

**In a podiatrist’s office:**

Time wounds all heels.

**In an optometrist’s office:**

If you don’t see what you’re looking for, you’ve come to the right place.

**On a plumber’s truck:**

We repair what your husband fixed.

**At an automobile tire shop:**

Invite us to your next blowout.

**In a non-smoking area in an office building:**

If we see smoke, we will assume you are on fire and will take appropriate action.

**At a car dealership:**

The best way to get back on your feet is to miss a car payment.

**At an automobile muffler shop:**

No appointment necessary; we’ll hear you coming.

**At the electric company:**

We will be delighted if you send in your payment on time. However, if you don’t send in your payment on time, YOU will be de-lighted.

Western Montgomery County Chapter 258  
National Active and Retired Federal Employees  
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**THIS IS YOUR CHAPTER 258 NEWSLETTER  
PLEASE READ !! ☺**

**The speaker for our February 9th Chapter meeting will be  
Ms. Lois Fishman, who will discuss 2017 taxes.**

### Chapter Officers

#### President

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#### 2nd Vice President

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#### Treasurer

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#### Service Officer

**Helen Berkson** 301-881-1168

Gov. Hogan's e-mail is [governor.mail@maryland.gov](mailto:governor.mail@maryland.gov). Your legislators may be reached at [www.mgaleg.maryland.gov](http://www.mgaleg.maryland.gov); they may also be reached using the General Assembly's number, 1(800) 492-7122

### Committee Chairs

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Representative Jamie Raskin (MD-8)  
202-225-5341

Representative John Delaney (MD-6)  
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