



Chapel Hill Chapter NEWSLETTER

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HOLIDAY LUNCH **A NARFE CHAPTER 2108 TRADITION!**

Be sure to mark 11:15 a.m. Friday, December 3, on your calendar! You don't want to miss this fabulous annual event. This year, the luncheon will be held for the first time at the Nantucket Grill, 5925 Farrington Road, Chapel Hill, NC, off Highway 54, near I-40 Exit 273. It's in the same building as Harrington Bank located at the corner of Farrington Road and Highway 54.

Please RSVP to let us know if you will attend by Tuesday, November 23rd. This is important so we may inform Nantucket how many to expect. Either call 919-933-5436 or send an email to wrmack@gmail.com with your choice of entrée: boneless white chicken breast; cheese ravioli; hot roast beef sandwich or New England cod sandwich. The total price of \$15 includes cupcakes for dessert, gratuity, tax, and either a soft drink, coffee or tea.

Preceding the lunch, a very brief meeting will be held to nominate officers for 2011.

Please bring socks, underwear and calendars which will be donated to the "Support for the Troops" campaign which is handled by Jane Rody.

Hope to see all of you there so we may personally wish everyone a Happy Holiday Season!

THE HIGHEST BID GOES TO...

Those were the words spoken by Chapter 2108 Grand Auctioneer Martin Rody as many new and novel items of interest were auctioned off at the September 24, 2010 picnic at the Carrboro Anderson Community Park.

One of the most unusual items in the auction was a "mystery" donation made by an anonymous chapter member and it kept everyone guessing. It was gift wrapped so no one knew what was contained inside. A few brave souls began bidding blindly, totally unaware of the contents. Finally, the bidding ended and auctioneer Martin hammered down his gavel. And the winner, who shall remain nameless, began peeling off layer upon layer of wrapping to keep everyone in suspense.

What was in the box? Sorry, you will have to come to our Dec. 3rd Holiday Lunch for the answer to the "mystery" gift.

In other matters, Jim Deviney was thanked for arranging and delivering the barbecue, cole slaw, baked beans, hush puppies, banana pudding, soft drinks and tea. Hats off to Jim!

Also, Paul Carew was congratulated for being elected National Vice President of NARFE. A gift of bookends was presented to him for all

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that he has done for the chapter and best wishes were extended by President Mack for much success in Washington for continuing to retain all of our benefits.

Ben Saunders, NARFE Area IV Vice-President, from Burlington, mentioned that everyone should support NARFE by purchasing the 2011 calendar which highlights the pictures selected as winners in the NARFE photo contest.

Jane Rody reported that a letter was received from Support for the Troops thanking the Chapter for its generous donation of socks, underwear and calendars.

Incidentally, the auction raised more than \$130 all of which will be donated to the Alzheimer Fund.

FEHBP PREMIUMS INCREASE

For the 2011 Federal Employees Health Benefits Program (FEHBP) premiums will increase 7.3 percent. NARFE is troubled that the program's most popular plan, Blue Cross Blue Shield (BCBS) Standard option, will rise by 6.9% for self-only and 7.6 percent for family coverage. BCBS basic option rates will rise 12.5 percent for both self-only and family coverage, significantly more than the average for FEHBP plans. Sixty-one percent of federal employees are covered by BCBS of which 46 percent choose the BCBS Standard option.

There is concern that federal annuitants and workers will be burdened by the premium increases in a year when no retirement cost-of-living adjustment (COLA) is expected and when the federal employee pay raise is anticipated to be minimal or could be cut altogether. About 300,000 federal annuitants who are not eligible to receive Social Security will also be affected by the 2011 Medicare Part B premium increase and the FEHBP rate hike. The average premium increase is actually smaller than last year's 8.8 percent. 2

OPM has added cost sharing for preventive care, coverage for dependants up to age 26, and incentives for tobacco cessation. The preventive care and adult-child coverage account for a 1.7 percent average increase in premiums. The Office of Personnel Management (OPM) is also taking serious initiatives to reduce prescription drug costs.

It is recognized, however, that the 2011 rate hike was lower than the increases in other large group health insurance programs covering private-sector workers. Their premiums are expected to rise between 8.9 percent and 10.5 percent.

FEHBP, the nation's largest employer-sponsored health insurance program covers about 8 million people, including 2.2 million active employees, 1.9 million retirees, and their spouses and dependents. However, there are already tens of thousands of full-time federal employees who do not participate in FEHBP because of the cost.

FEDERAL BENEFITS OPEN SEASON

Federal employees and retirees will be able to change, or select health insurance plans and dental and vision coverage during the Open Season which began Monday, November 8, and ends on Monday, December 13.

You can elect to make an enrollment change, request other health plan information, or request an Open Season packet through convenient self-service tools. It's quick and easy to request changes and information using FEHB's Open Season Online website: <https://retireefehb.opm.gov>, or call toll-free 1-800-332-9798. Listen to and follow the voice prompt that tell you how to proceed. Eligible members may enroll in the Federal Employees Dental & Vision Insurance Program (FEDVIP), make changes or cancel a current enrollment by visiting www.BENEFEDS.com or by phone 1-877-888-3337. (Continued on page 3)

For more information on Open Season or health care reform legislation (including benefits for children up to age 26) visit www.opm.gov/insure.

METLIFE PAYOUTS QUESTIONED

Metlife is the only provider of life insurance for civilian federal employees through the Federal Employees' Group Life Insurance program. When a covered employee dies, the company places the insurance payment in one of the accounts, rather than providing a lump-sum payment to the beneficiary. The beneficiary can make withdrawals from the account as the money is needed.

But there's a catch. MetLife earns more than 4 percent on funds in the accounts and pays beneficiaries 1 percent. Also, the accounts are not insured by the Federal Deposit Insurance Corp. Some beneficiaries may not fully understand their right to obtain immediate, lump-sum payment of their benefits.

Metlife has been asked to explain the company's use of "retained asset accounts." by the House Committee on Oversight and Government Reform and the subcommittee on the federal workforce, Postal Service and District of Columbia.

CHAPTER DUES OFF LIMITS TO CHARITIES

In its latest quarterly bulletin, NARFE Headquarters issued a clarification on how Chapter membership dues are to be allocated. Though some of our chapter members object, dues money should not be used for charitable contributions. Many of our chapter members make donations to the NARFE-Alzheimer's Research Fund, the NARFE-FEEA Scholarship and Disaster Funds, and to other like programs. But these charitable, non-profit organization activities are not directly related to NARFE's mission, and donations are strictly

voluntary on the part of members, according to this latest announcement by NARFE Hqtrs.

SCHEDULE OF 2010-2011 CALENDAR

Dec. 3, 2010 - Annual Holiday Luncheon, 11:15 a.m., Nantucket Café

Jan. 28, 2011 - Business meeting 11:15 a.m., Seymour Center Theater, followed by Speaker Kevin Kirk, UNC Physiologist. Topic: How to Stay Fit Walking

NARFE'S 90th BIRTHDAY BOOK

Now on sale for \$10 - Read how the Association's humble beginnings in 1921 began with 14 retired civil servants met to discuss the economic plight of federal retirees. The book chronicles NARFE's continuous fight throughout its 90 years to protect our earned benefits. Order your copy of this Limited Edition by sending \$10 to NARFE, 606 N. Washington St., Alexandria, VA 22314-1919 or see the order form on page 23 of NARFE's November 2010 issue. As members of NARFE, we have a proud heritage, and this book makes for a great read! Support NARFE by buying this book!

NEW COLA PROPOSED

C-CPI-U is being considered using a formula that reflects the effect of substitutions made by consumers in response to changes in prices. The CPI currently used does not fully account for the fact that consumers adjust their spending patterns as some prices change relative to other prices. This is known as the substitution effect. The C-CPI-U grows more slowly than the current CPI measurement.

Over the last decade the C-CPI-U was lower by an average of 0.3 percentage points per year thus reflecting a lower cost of living. NARFE will ensure the fairest and most equitable method will be used to preserve federal annuities and other earned benefits.

CHOOSE YOUR FEHBP CAREFULLY

In choosing a Federal Employees Health Benefits Program (FEHBP) plan don't figure the cost of a health plan on premium rates alone. Keep in mind that premiums are but one aspect of your health care costs--benefits are equally important.

Evaluate each plan in light of your past medical history and your anticipated medical needs for the coming year. Also make the same considerations for your eligible family members.

Review deductible, coinsurance and co-payment features. Some plans have separate deductibles for major medical and specialized-care expenses. Some plans may substitute coinsurance for co-payments. Carefully review health plans catastrophic protection limits and which of your out-of-pocket costs count toward those limits.

If prescription drug coverage is a major part of your health care, then you want to look at a plan's out-of-pocket expenses for generic as well as brand name or specialty drugs. You also should pay attention to the difference in amounts and costs for ordering prescriptions by mail and the costs for using your neighborhood retail pharmacist.

WITHHOLDING OF DUES

In addition to FEHBP and Federal Employees Dental and Vision Insurance Program premiums--federal and state income taxes, Federal Long Term Care Insurance Program premiums, payments for NARFE dues, union dues and U. S. Savings Bonds can be withheld from your annuity checks, and is strongly encouraged by NARFE. Retired federal employees cannot elect withholding for the Combined Federal Campaign, loan payments and payments to investment accounts.

MEETING REMINDER!!

HEALTH PLAN TO BE UNVEILED - Blue Cross/Blue Shield Federal Programs
Representative Joyce Echols will preview provisions of the BCBS 2011 Federal Health Benefits package, 11:30 a.m. Friday, Nov. 12. at the Seymour Center, 2551 Homestead Road, Chapel Hill. It will be held in the Seymour Theater. See you there!!