



National Association of Retired & Veteran Railway Employees, Inc.

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NARVRE NEWSLETTER

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FROM THE NATIONAL PRESIDENT —

Every January upon the issuance of letters to annuitants in regard to a Cost-of-Living increase (COLA) some get a letter saying they will not get an increase. This came about when Congress passed the Railroad Retirement and Survivors Improvement Act of 2001, PL 107-90 WIMA.

No one pays any attention to the law until the railroad retiree passes away and the widow in most cases has her cost of living frozen. The Widow(er)'s Initial Minimum Amount (WIMA) establishes an "initial minimum amount" which is based on the two-tier annuity amount

that would have been payable to the railroad employee at the time the widow(er) annuity is awarded. The "WIMA" is computed with a widow(er) Tier 2 amount equal to 100 percent of the employee Tier 2 amount. Under prior law, the widow(er) Tier 2 amount was equal to 50 percent of the employee's Tier 2. Only the Tier 1 amount equaled 100 percent. **Widow(er) annuity computed on the basis of the new initial minimum amount will not be adjusted for annual cost of living increases until the annuity amount is exceeded by the annuity amount the widow(er) would have been paid under prior law, with all interim cost of living increases otherwise payable. These costs of living freezes for widows and widowers under the 2001 law**

(WIMA) usually last from 5-7 years before they are granted COLA's again.

I will try and give everyone an example using 2002 numbers of how WIMA works. Using a fictitious name of Helen Johnson, her husband passed away on 9-17-2002, so she was directly affected by the new WIMA law. Her net monthly annuity in 2005 was \$1488.92 per month. Her net monthly annuity in 2006 changed to \$1,478.62 per month. This \$10.30 cent reduction in her net monthly annuity is due to \$10.30 increase in her Medicare premium, which went up from \$78.20 in 2005 to \$88.50 in 2006.. Today it is around \$104.00 per month.

Ms. Johnson will be eligible for a partial COLA in 2007. There is only a \$6.48 difference between her Pre-WIMA 50% Tier 2 and Tier 1 with COLA's applied 2002 thru 2006 and the 100 percent WIMA amount plus the Tier 1. Assuming next year (2007) there is a 3 percent increase on her Tier 1, that will make up the \$43.53 on the difference between her pre-WIMA 50 percent Tier 2 with COLA's and her WIMA with 100 percent Tier 2.

Questions on WIMA should be directed to the RRB at 1-877-772-5772. They will be able to tell you when you would start receiving a cost of living again. As for changing the law in Congress NARVRE attempted back in 2007-2008 to no avail. Any agreement on changing railroad retirement has to be amongst the parties rail management, rail labor and the Railroad Retirement Board. Don't look for it to happen anytime soon do to cost.

— Tom Dwyer,
National President

From the National Legislative Director —

Last month, the speculation that a budget agreement would be passed was correct, and the Chained CPI proposal and threatened cuts to Medicare were not in that legislation. NARVRE members have long been telling our Representatives in Congress that the current formula to determine inflation (CPI-W) is outdated and needs to be changed, but not with a proposal that cuts deep into senior retirement benefits. The White House has also been informed of our opposition, and we're hopeful this ill-advised proposal is not on the table in the 2014 negotiations. A three-month extension delaying a large 24 percent cut to Medicare doctors was in this budget package, and we're hopeful the Congress

will move on a proposal that will repeal the current repayment formula, as reported. Currently, the House & Senate are negotiating a huge omnibus package which authorizes the funding for all 12 Appropriation bills. Key committee staffers remained on Capitol Hill over the holiday recess in order to lay the groundwork to get an agreement through both chambers before next week when the current continuing resolution (CR) expires on January 15. The government runs out of funding at that deadline and both parties hope to avoid the same problems that led to the 16 day government shutdown last October. And, of course, there's another recess slated for mid-January which just might be the catalyst for a successful vote by January 16. Some committees

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From the National Vice President —

Washington, Oregon, Idaho and Montana, (NARVRE's Area 7) needs a Area Director. Don Cain resigned several months ago and this position is currently available. If you consider yourself a willing, able, committed volunteer give me a call. [319-283-0797](tel:319-283-0797) The task is easy, very rewarding and absolutely for a great cause.

The end of the year membership numbers have been aired and as of the last day of December 2013 we have 17,202 members. 13,778 members in units and 3,424 in the 801 group. During 2013, we have had 385 members pass away, far below our average of other years.

NARVRE Unit 019, Cleveland Ohio mails out their own newsletter and their last newsletter had a article that speaks very loud and clear on how to kill an Association. Although somewhat humorous these could be indicators of bad-results.

- **Don't participate beyond paying your dues**, *let 'them' handle things. Then complain that members have no voice in management.*
- **Decline all officers and committee appointments-you're too busy**, *then offer vociferous advice on how they should do things.*
- **If appointed to a committee-don't work-it's a courtesy appointment**, *then complain because the organization has stagnated.*
- **Don't rush to pay your dues-they're too high anyway**, *then complain about your financial management.*
- **Don't encourage others to become members-that's selling**, *then complain that membership is not growing.*
- **Don't read the mail from National Headquarters-it's not important**, *then complain that you're not kept informed.*
- **Don't volunteer your talents-that's ego fulfillment**, *then complain that you're never asked, never appreciated.*
- **And, if by chance the**

From the National Secretary-Treasurer

The plans for the 39th Biennial Convention are fully underway and many have made their reservations.

We are proud to have Unit 065 Host this years Convention May 18-20, 2014, in Sacramento. I have received planning e-mails from Jackie Kuehl and she has organized some excitement for all to enjoy. If you go to our website, www.narvre.info in your search box you will get the bigger picture of what is available to see in Sacramento, also reservation information is posted on the site.

We are regularly receiving membership reporting with dues from our Units and hope that all that haven't paid yet will do so soon, as you will not receive your newsletter until the dues are received and recorded here in the National Office.

ATTENTION: All Secretary/Treasurers or Treasurers, please get reminder letters out to your membership and get the dues collected your members expect to get their newsletters monthly and if you are not doing this our organization will suffer lose, because our folks are not informed of issues that are important concerning their Railroad Retirement Annuity. I can not express this enough that we need you and you need NARVRE. Please send address, phone, e-mail changes to National so that we can keep our files up to date and the newsletter getting to our members in a timely manner, this also saves money by not having returned newsletters to National. Costs \$.46 each time and postage is going up this month to \$.49 we usually get back at least 100 each month.

organization grows in spite of your contribution, *grasp every opportunity to tell the youngsters how tough it was and how hard you worked in the old days to bring the organization to it's present level of successes.*

We Thank the Officers of unit 019, Ivan Richmond and Secretary Ruth

Remember Bylaws Section 3

(1) Dues are due and payable by January 1. Members whose dues are not paid by February 28 are delinquent.

(2) Treasurer shall notify those members whose dues are delinquent by February 28.

(3) A member forfeiting membership for nonpayment of dues may be reinstated within six months upon payment of current dues.

Many Officers have ask about the QUORUM. Bylaws Article VI. Section 3 (Note: The quorum should be the number of members most likely to show up at any regular meeting barring inclement weather or other unusual event.)

Policies and Procedures:

Section 4:07 Membership multiple Units: Must pay the required dues to each unit as well as the per capita to National. If a member becomes a delegate to a convention, his or her dues for the year must be paid to the unit in January to confirm his or her CREDENTIALS.

DUES PAID give voting right privileges to each member. NO dues NO vote.

4:08 A member is only liable to pay per capita (dues) to NARVRE National only once annually, and, they can become a member of several units. However, they must meet (the) unit dues portion of each unit to claim membership (in) over above the annual per capita Resolution #1, of the 1998 convention.

Life, 10 year and 5 year membership, also must abide by the above rule in order to be members of a Unit with voting privileges. Many of our life members do not pay local unit dues annually and this needs to be addressed.

— Joyce A. Burton
National Sec/Treas

Teper for allowing us to re-use this article.

Ladies and Gentleman and members all alike, there is enough work for everyone and too much for just a few. Let's be determined to grow this Organization.

— Lester Newton
NVP-NARVRE

(National Legislative Director from page 1)

have already reached a bipartisan agreement. These negotiations are led by House Appropriations Chrm. Hal Rogers (R-Ky) and Sen. Barbara Mikulski (D-Md) in the Senate. Rep. Rogers is a solid supporter for the coal industry, and energy issues as well as the stalled farm bill will be key components of this giant omnibus bill. As information, the debt ceiling issue will be delayed to get past the GOP's annual retreat and the President's State of the Union Address (January 28). We will keep watch over issues critical to NARVRE and railroad retirees, and alert the membership if our collective efforts are warranted.

The RRB recently released the latest report from the National Railroad Retirement Investment Trust (NRRIT) ending **September 30, 2013**. The RRB has been behind schedule publishing this report due to the government shutdown last October. The NRRIT ("Trust") issues Quarterly Updates to provide current information on the Trust's operations relating to all asset investments. Specific financial and administrative information can be found on the RRB website, as well as the full Quarterly Report (www.rrb.gov). For those members without internet access, the most recent and partial breakdown shown below shows an increase in all RRB investment assets (total \$26.7 billion) for the quarter ending 9/30/13. Good news for all railroad retirement annuitants.

The investment performance for the Trust, and the change in market value of Trust-managed and RRB-held assets for the most recent quarter are summarized below.



On Monday January 13, 2014 NARVRE Unit #43 Conneaut, Ohio celebrated their first year anniversary with a luncheon. Pictured holding the cake from left to right is Unit #43 President, Jon Brady, Communications Officer David. M. Harlacher, Secretary-treasurer Ralph Mongenel.

— David Harlacher Communications Officer

Investment Performance – Net of Fees for the Quarter ended September 30, 2013	
Trust-Managed Assets:	5.59%
Strategic Policy Benchmark:	5.23%
Market Value of Assets (Asset values are in billions of dollars)	
Trust-managed assets	
As of June 30, 2013	\$24.1
As of September 30, 2013	\$25.0
Change for quarter ended September 30, 2013	\$ 0.9
Trust-managed assets and RRB assets held in reserve	
As of June 30, 2013	\$25.9
As of September 30, 2013	\$26.7
Change for quarter ended September 30, 2013	\$ 0.8
As of February 1, 2002 (Trust inception)	\$20.7
Transfers to the Treasury	\$-15.2
Total change in assets since inception	\$21.2
As of September 30, 2013	\$26.7

Amtrak archenemy John Mica is back, but in another venue in another committee. Rep. Mica now chairs the Subcommittee on Government Operations, and he held yet another hearing on Amtrak's food & beverage (F&B) service last November 14. Mica continues to make baseless assertions that the F&B costs are exorbitant and must be banished (or privatized) from all Amtrak trains. He continues to dismiss facts and testimony indicating that F&B service is a relevant and necessary component to the overall train operation, and he counters that with unsubstantiated statements or comparative stories that do not bear common sense. Testimony in this hearing provided more evidence that F&B service has reduced losses by over 30% from 2006 to 2012, and that the railroad has introduced their business plan to eliminate all F&B losses in the next five years. The facts are in showing that F&B service is an integral part of Amtrak that increases ridership and higher ticket revenue, as travelers are demanding this service (story from www.narprail.org, Dec 2013). While Mica continues to ignore the facts, even Amtrak Inspector General Ted Alves has changed an earlier position to now give due credit to F&B for increased volumn. We will undoubtedly hear more from this man in 2014, and we will continue to fight against the many misrepresentations of John Mica, just as our membership has always done. NARVRE (and many others) collectively beat back Mica's baseless campaign to privatize Amtrak's northeast corridor two years ago, and we'll do the same again. NARVRE and all rail supporters that make up our coalition in railroad retirement can be proud that the word on John Mica is getting around the halls of Congress. His latest hearing in November was attended by the Chairman himself, and three (3) other Members of Congress. Talk about a waste of federal money...

— Gary M. Faley
Legislative Director

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From Palmetto, GBA

When Medicare Pays First, Second Or Even Third

When Medicare began in the 1960s, it was the primary payer for all services except those covered by workers compensation. Then in 1980, Congress enacted provisions to shift costs from the Medicare program to private insurers, when possible. This legislation stopped Medicare from making payment if the payment has already been made, or would be expected to be made, by Group Health Plans (GHP) and Workers Compensation (WC) Plans.

Medicare Pays First When:

- * You have retiree insurance (from either you or your spouse's former employment)
- * You're 65 or older, have group health plan coverage based on your spouse's current employment, and that employer has less than 20 employees
- * You're under 65 and disabled, have group health plan insurance based on your or a family member's current employer, and that employer has less than 100 employees
- * You're also receiving Medicaid benefits

Note: If you have group health care plan coverage that is primary to Medicare (pays first), it will continue to do so until it pays up to the limits of its coverage. Then Medicare becomes primary.

Medicare Pays Second When:

- * You're 65 or older, have group health plan coverage based on your spouse's current employment, and that employer has 20 or more employees
- * You're under 65 and disabled, have group health plan insurance based on your or a family member's current employer, and that employer has 100 or more employees
- * You have End-Stage Renal Disease (ESRD) and you are in the first 30 months your Medicare eligibility. Then Medicare pays first after that.
- * You're covered by no-fault or liability insurance for an services related to an accident

Insurance that pays after Medicare is referred to as supplemental insurance. Your retiree coverage may act as supplemental insurance or you may purchase a Medigap policy from a private insurance company. For information about Medigap policies, visit www.medicare.gov/publications and view the booklet "Choosing a Medigap Policy: A Guide to People with Medicare."

For a detailed explanation of how Medicare works with other insurance coverage, go to www.medicare.gov/publications and view the booklet "Medicare and Other Health Benefits: Your Guide to Who Pays First."

We encourage you to visit our website at www.PalmettoGBA.com/RR/Me and our Facebook page at www.Facebook.com/MyRRMedicare

— **Jennifer Johnson**