

BEST NEWSLETTER

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2003 Edition, Issue 3 – August 2003

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Comments from Our Branch Chief

Good news -- on 25 Aug 03, we began accepting Thrift Savings Plan (TSP) Catch-Up Contribution enrollment elections for calendar year 2003. For more information, see the article on this page.

We are fast approaching a busy time of year for benefits:

- TSP Open Season begins on 15 Oct 03 and ends on 31 Dec 03. During this open season the maximum contribution percentages increase by 1% -- employees covered under the Federal Employees Retirement System will be allowed to contribute 14 percent and employees covered by the Civil Service Retirement System will be able to contribute 9 percent.
- Federal Employee's Health Benefits (FEHB) Open Season starts on 10 Nov 03 and ends on 8 Dec 03.
- Flexible Spending Account (FSA) enrollments are tied to FEHB open season dates. Enrollment in the FSA program for calendar year 2004 will take place during the FSA open season 10 Nov - 8 Dec 03.

Additional information regarding these programs will be provided in the next issue of the BEST Newsletter.

MARIA F. MOLLY
Chief, Benefits and
Entitlements Branch

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Thrift Savings Plan (TSP) Catch-Up Contributions Enrollment

As announced in BEST Benefits Bulletin 2003-4, released 20 Aug 03 to all newsletter subscribers, we began accepting TSP catch-up contributions enrollment elections on 25 Aug 03.

Catch-up contributions are additional tax-deferred contributions available to TSP participants age 50 or older who are already contributing either the maximum TSP contribution percentage or a dollar amount which will result in reaching the IRS elective deferral limit by the end of the year, are in a pay status, and are not in the 6-month noncontribution period after receiving a financial hardship in-service withdrawal. Catch-up contributions have their own limit which changes year to year: \$2,000 for 2003; \$3,000 for 2004, \$4,000 for 2005, and \$5,000 for 2006. After 2006, the amount will change to reflect inflation.

As with regular TSP contribution elections, you will elect to make catch-up contributions electronically via the BEST automated web or phone system. TSP catch-up contribution enrollment is not tied to open seasons, so you may enroll, change, or stop your contributions at any time.

Additional information on the program, including designating the amount you wish to contribute each pay period, can be found on our "TSP Catch-Up Contributions" web page at www.afpc.randolph.af.mil/dpc/best/tsp-page.htm, and in BEST Benefits Bulletin 2003-4 at www.afpc.randolph.af.mil/dpc/best/newsletters.htm.

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HEALTH AND LIFE INSURANCE, THRIFT SAVINGS PLAN

Termination of Mail Handlers Enrollments

The National Postal Mail Handlers Union (NPMHU) notified the Benefits and Entitlements Service Team (BEST) that 223 of our serviced employees enrolled in the Mail Handlers Benefit Plan failed to pay the required membership dues. Title 5 of the Code of Federal Regulations (CFR), Section 890.201 (a) (2), provides health plan carriers the authority to terminate an employee's enrollment in a health benefits plan for nonpayment of membership dues. The NPMHU notified employees of their delinquencies via three separate notices -- the last, sent 8 Jul 03, advised dues must be paid within 15 days or enrollment in the Mail Handlers Benefit Plan would be terminated.

Effective 23 Aug 03, BEST terminated the Mail Handlers FEHB enrollments for the employees who did not pay their membership dues. If you are one of these employees, you received a personal letter from BEST addressing the termination of your Mail Handlers FEHB enrollment and providing a copy of SF 2810 (Notice of Change in Health Benefits Enrollment). If you want to continue your enrollment in Mail Handlers, you must contact the National Postal Mail Handlers Union by telephone at (202) 833-9095 or by writing to the National Postal Mail Handlers Union, 1101 Connecticut Avenue NW Suite 500, Washington DC 20036, regarding payment of your membership dues. When payment is received, the National Postal Mail Handlers Union will send you a letter stating the membership dues have been paid. You should immediately fax a copy of this proof of payment letter to BEST at DSN 665-2936 or commercial (210) 565-2936. BEST will then process the appropriate benefits election.

Mail Handlers is only one of the few Federal FEHB plans requiring annual payment of union membership dues. It's your responsibility to review the brochure of your chosen health plan to determine whether membership dues are required, and to pay them. Don't let this small matter affect payment of benefits for you and your family.

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New TSP Record Keeping System

The Federal Thrift Board implemented the new TSP record keeping system on 16 Jun 03. Most of you are aware of this because of the numerous problems with the TSP Web site; specifically, the difficulty getting into Account Access to check account balances, make interfund transfers, and change contribution allocations. Fortunately, it appears TSP has now resolved most of the problems with their web site and account access.

Some advantages of the new record keeping system include daily valuation of accounts and processing of transactions each business day; the ability to make contribution allocations and interfund transfers daily; the ability to initiate (and in some cases complete) loan and withdrawal requests online; the ability to pay off or make additional loan payments by personal check; participant statements issued quarterly instead of twice a year with account balances and transactions shown in dollar amount, shares, and share prices; and the inclusion of loan information on quarterly participant statements.

By now you should have received your **final participant statement for the old monthly-valued record keeping system** - TSP mailed final statements in late Jun 03 providing account information for the period 1 - 31 May 03, and you should keep it as a permanent record of your account status at the close-out of the old record keeping system. If you haven't received this statement, contact the TSP Service Office at (504) 255-8777. TSP will issue the first of the new quarterly participant statements in Oct 03 for the period Jun/Jul/Aug 03.

The TSP also mailed **final loan statements for the old monthly-valued record keeping system** showing information about participants' loans as of 31 May 03. If you have a loan and have not received this final statement, be sure to contact the TSP Service Office at (504) 255-8777. In the future, loan information will be included on your quarterly participant statements -- you'll no longer receive separate loan statements.

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HEALTH AND LIFE INSURANCE, THRIFT SAVINGS PLAN

Death of a Spouse or Eligible Family Member

As a current, active civilian employee, do you know what to do in the event of the death of your spouse or an eligible family member? You should notify BEST of the death, either directly or via your supervisor/local civilian personnel office. If you receive limited services from BEST, you'll need to notify your local civilian personnel office.

Federal Employees Health Benefits (FEHB)

The death of your spouse or other eligible family member is a qualifying life event that allows you to change your health benefits coverage. You may change to self only, change from one plan or option to another, or make any combination of these changes within 60 days after the death of your spouse or eligible family member.

If for some reason you didn't notify us of the death and 60 days or more has gone by, you may, if there are no other family members eligible for FEHB coverage, submit a written request to change your health benefits coverage. You'll need to provide your spouse or family member's date of death and certify there are no other family members eligible for coverage. We can make a change to self only retroactive to the first day of the pay period after the pay period in which you have no remaining eligible family members. Payroll will adjust your health benefits withholdings and contributions.

Federal Employees Group Life Insurance (FEGLI)

If you have Option C Family Insurance, you'll need to file a claim for the life insurance. The Benefits Counselor will mail Form FE-6 DEP (Statement of Claim Option C Family Life Insurance) to you. The agency portion will already be completed and you will simply complete the employee portion, attach a certified death certificate and any other documentation required, and mail directly to the Office of Federal Employees' Group Life Insurance (OFEGLI), PO Box 2627, Jersey City NJ 07303-2627. Exception: If you receive limited services benefits services from BEST, then your Civilian Personnel Office will assist with your claim for Option C insurance.

If the death was of your last eligible family member, you will need to cancel your Option C coverage. The cancellation is effective the end of the pay period in which you no longer had any eligible family members.

We are here to help, so please call BEST if you have questions that need answers or issues you need resolved.

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Calendar of Events

TSP Catch-Up Contribution Enrollment for Year 2003 Available Beginning 25 Aug 03

TSP Open Season: 15 Oct - 31 Dec 03

FEHB Open Season: 10 Nov - 8 Dec 03

FSA Open Season for Calendar Year 2004 Enrollment: 10 Nov - 8 Dec 03 (Via SHPS at <https://www.fsafeds.com/fsafeds/index.asp> or 1-877-372-3337 or TTY 1-800-952-0450)

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RETIREMENT

Full Service Employees

Are You Ready for Retirement?

This isn't just an idle question, especially if you're planning to retire soon and haven't done your homework. What do we mean? Well, just completing and submitting an application for retirement isn't all you need to know or do. For instance, are you prepared to meet financial commitments occurring between your date of retirement and receipt of your first retirement check from the Office of Personnel Management (OPM)? OPM's goal is to get the first check out within 3 weeks; unfortunately, this sometimes turns into 6 to 8 weeks.

If you are retired military, do you know whether it would be advantageous to combine your military and civilian service? Do you have a previous period of civil service employment for which you received a refund of your retirement contributions? Do you have temporary service for which a deposit could be paid? Will your retirement be comfortable, or will you merely be "surviving?" Many retirees wish to travel or pursue other interests, only to discover their retirement income is insufficient.

Unless you have other sources of retirement income, and most of us aren't so fortunate, these are important issues you need to address. Compute how much you'll need for necessities, such as mortgage payment, groceries, clothing, and utility bills, and be sure to figure in a comfortable margin for inflation because the cost of living will rise faster than your retirement pay. Then determine how much you'll need for travel or other interests/hobbies. Next, run a retirement estimate using our web-based Employee Benefits Information System (EBIS), the BEST phone line, or the "FirstGov for Seniors" calculator (sponsored by the Social Security Administration and OPM) located at www.seniors.gov/fedcalc.html. This should assist in deciding if you are really ready to retire.

Retirement forms and instructions are on our "Retiring Employees" web page at www.afpc.randolph.af.mil/dpc/best/retiring.htm (Fax Document 2010 via the BEST phone system). Before taking that final step and submitting your retirement application, we have one more request: please read our brochure "Preparing for Retirement" located on the same web page (Fax Document 2002 via the phone). It contains a great deal of important information about eligibility for retirement, creditable service, obtaining retirement estimates, survivor annuity elections, carrying health and life insurance into retirement, direct deposit, Federal income tax, and much more. It also contains our mailing address for submission of your retirement package.

If you decide you are ready for retirement, then congratulations! We ask that you submit your retirement package to BEST at least 90 days in advance of your retirement date. If you have questions about retirement or need assistance, please contact a BEST Benefits Counselor. Phone numbers are listed in the heading on the first page of this newsletter. If you are located overseas, you'll first dial a toll-free AT&T direct access number for the country you are in. Obtain the AT&T direct access number at www.att.com/international_business/dialing_guide/country-diallist.cgi.

Limited Service employees must contact their local Civilian Personnel Office for retirement assistance/forms/processing.

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Who to Contact After Retirement

After retirement, you'll direct questions to BEST, or to your local civilian personnel office if you are a limited service employee, until you receive your first annuity check -- then the Office of Personnel Management (OPM) takes over.

After retirement, OPM will assist you (or your survivors) with all matters related to your retirement pay, and health and life insurance. OPM will provide you with a civil service account number (starts with CSA or CSF), as well as a four-digit Personal Identification Number (PIN) that you'll use to conduct transactions via their automated phone system (1-888-767-6738) or their "Services Online" web application (located at www.opm.gov/retire/index.asp). Services Online is a great tool for managing your retirement account. Some of the things you can do include: start, change, or stop federal and state income tax withholdings; request a duplicate tax-filing statement (1099R); establish, change or stop an allotment to an organization; change your mailing address; start direct deposit of your retirement pay or change the account or financial institution to which the payment is sent; and view a statement describing your annuity payment. Of course, you can do all these things and more via their phone system.

If you pass away after retirement, your survivor(s) should notify OPM immediately by web, toll-free number, or mail. The OPM Web site at http://www.opm.gov/insure/life/death_4.asp has specific instructions. Your survivor(s) will need your CSA/CSF number, your social security number, and your date of birth. OPM will assist with the survivor annuity (if eligible) and health and life insurance. If you have a Thrift Savings Account (TSP) account, your survivors should notify the TSP Service office at 1-504-255-8777. If a family member passes away after you retire, you will also need to notify OPM via the same route.

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