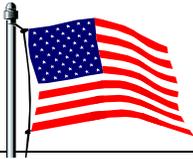


BEST NEWSLETTER

HQ AFPC/DPCMB, 550 C Street West, Suite 57, Randolph AFB TX 78150-4759
BEST Line 1-800-997-2378 or Commercial 210-527-2378, TDD 1-800-382-0893 or Commercial 210-565-2276
FAX: DSN 665-2936 or Commercial 210-565-2936
BEST Homepage: www.afpc.randolph.af.mil/dpc/best/menu.htm
EBIS: www.afpc.randolph.af.mil/dpc/BEST_GRB/EBIS.htm



2003 Edition, Issue 2 – June 2003

Inside This Issue

Page 1 Comments From Our Branch Chief BEST Newsletter Subscription Service	Page 3 Reservists Returning from Active Military Duty Calendar of Events
Page 2 TSP Catch-Up Contributions Update Flexible Spending Account (FSA) Update	

COMMENTS FROM OUR BRANCH CHIEF

We encourage everyone who wants to begin or change their regular Thrift Savings Plan (TSP) contributions to do so right away -- the spring TSP Open Season ends 30 Jun 03. The next opportunity for change is the fall TSP Open Season, 15 Oct - 31 Dec 03. On an "up" note, the maximum contribution percentages increase during the fall open season. We'll provide more information as the open season nears.

The Flexible Spending Account (FSA) early enrollment period has been extended until 27 Jun 03 -- SHPS (the contractor) is now accepting actual FSA enrollments. See our article in this newsletter for additional information.

Although TSP Catch-Up Contributions are coming soon, we still don't have specific information about when elections will be accepted and when they'll be effective. The article in this newsletter provides more information.

MARIA F. MOLLY
Chief, Benefits and
Entitlements Branch

[Top of the Document](#)

BEST NEWSLETTER SUBSCRIPTION SERVICE

As a reminder to employees who may have forgotten and new employees who might not be thoroughly familiar with the Benefits and Entitlements Service Team (BEST) and the services we provide, we regularly publish a newsletter to keep you informed of current changes that could affect your benefits. There are several ways to obtain this information; however, we encourage you to get the BEST Newsletter the easy way--by signing up via our subscription service. It's simple to do--just follow these steps:

- Access the BEST homepage and click on "Newsletter Subscription Service."
- Click the "Subscribe" button under "Benefits and Entitlements Newsletter (BEST)."
- Send the E-mail that pops up; you'll receive a follow-up E-mail confirming your subscription.
- If you encounter problems, click on "Help" and follow the instructions.

Another way to view BEST Newsletters, both current and past: go to the BEST homepage and click on "BEST Newsletters," and select the appropriate newsletter.

We notify Civilian Personnel Flights (CPFs) when we have posted a current newsletter and they, in turn, advise the organizations the newsletter is available on the web. Employees who have subscribed to the newsletter will automatically receive it via E-mail.

Please, share the newsletter with your co-workers.

[Top of the Document](#)

HEALTH AND LIFE INSURANCE, THRIFT SAVINGS PLAN

Thrift Savings Plan Catch-Up Contributions Update

TSP 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. The annual elective deferral limit for regular TSP contributions is \$12,000 for 2003. Catch-up contributions have their own limit: \$2,000 for 2003.

Publicity from the Thrift Savings Plan indicates elections to contribute may be submitted in July 2003. However, implementation of this program has always depended on the personnel and payroll systems being adapted to allow deduction of catch-up contributions. Within the Department of Defense (DoD), these systems are not expected to be ready until September 2003. We'll let you know once a concrete implementation date is established. In the meantime, we will not be accepting enrollments in July 2003.

As with regular TSP contribution elections, you will elect to make catch-up contributions electronically via the Employee Benefits Information System (EBIS) web application or the BEST automated telephone system. Hard copy enrollment forms will not be accepted, so please don't ask your local Civilian Personnel Flight (CPF) for an enrollment form.

In the meantime, we encourage those of you eligible to make catch-up contributions to start thinking about the amount you want to have deducted each pay date if you intend to contribute the maximum \$2,000 in 2003. An example of how to arrive at that amount, as well as other useful information, can be found under "TSP Catch-Up Contributions" on our TSP web page at www.afpc.randolph.af.mil/dpc/best/tsp-page.htm.

[Top of the Document](#)

Flexible Spending Accounts (FSA) Update

Enrollments are now being accepted, and if you are interested in enrolling for 2003, you must enroll before the open season ends on 27 Jun 03. The plan year for DoD employees is 1 Sep through 31 Dec 03. The first payroll deduction will occur for the pay period ending 20 Sep 03.

There are administrative fees associated with the FSA program. At this time, we are still awaiting a decision on whether DoD will pay these administrative fees or if they will be paid by the enrollee.

SHPS can be reached on the FSAFEDS Web site at www.fsafeds.com; toll-free telephone 1-877-372-3337 or TTY 1-800-952-0450; and E-mail at fsafeds@shps.net. More information on FSAs can be found on the BEST Homepage under "Flexible Spending Accounts" and BEST Newsletters (April 2003 edition, and Bulletin 2003-1). In addition, there is a wealth of information available on the FSAFEDS Web site, including a calculator to help plan your FSA allocations and provide an estimate of your tax savings.

Important Note on Accessing the FSAFEDS Web site: The Office of Personnel Management (OPM) has advised the FSAFEDS Web site may not be accurately displayed if using Netscape as your Internet browser. To resolve the problem, OPM recommends the site be accessed by Internet Explorer or any other non-Netscape browser for proper viewing.

Child Care Subsidy and Dependent Care FSA (DCFSA). The maximum you can exclude from gross income for dependent care is \$5,000 per family each year, or \$2,500 for married couples filing separate income tax returns (Section 129, Internal Revenue Code). The exclusion cannot be more than the earned income of either the employee or the employee's spouse. If an agency can track the total amount received through a DCFSA and a child care subsidy, they'll deduct appropriate taxes once the limit is reached. Otherwise, where appropriate taxes are not deducted, the employee will reconcile with IRS at the time they file their income tax return for the year. For more information, contact an SHPS customer service representative.

[Top of the Document](#)

HEALTH AND LIFE INSURANCE, THRIFT SAVINGS PLAN

Reservists Returning from Active Military Duty

Are you a Reservist recently returned from active military duty? If you are, there are a few things that should have occurred automatically with regard to your benefits and entitlements, as well as a few you must initiate. Regardless of which category the action falls into, ultimately it is your responsibility to review each and every Leave and Earnings Statement (LES) and immediately advise BEST if corrections need to be made.

Health and Life Insurance - Coverage resumes on return to duty if you did not cancel the coverage. Check your LES to confirm premiums resume. However, if you waive reinstatement of health insurance to use transitional TRICARE coverage, you will need to speak to a BEST counselor to reenroll in FEHB when your TRICARE coverage ends.

Thrift Savings Plan (TSP) - If you were contributing on entering military duty and you did not submit an election to cancel contributions, they will resume on return to duty. Be sure to check your LES to make sure your contributions resume. According to TSP regulation, it is your responsibility to check and report any errors within 30 days. If you wish to make-up TSP contributions missed while on active duty, you have 60 days from return to duty to submit your request to BEST.

Retirement Contributions (Full Service Employees) - If you are covered under the Federal Employee's Retirement System (FERS), you'll need to make contributions to the retirement system for the time you were in a nonpay status in order to have that time count toward retirement. If you are covered by the Civil Service Retirement System (CSRS) you may or may not need to make the contributions -- it will depend on when you were hired. To initiate these contributions which are called a "military deposit," you'll need to obtain your military earnings and provide them to BEST.

Right about now, you're probably asking how you are supposed to know all this, and whether it's as simple as it seems. Well, on return to duty you should have received the brochure "Benefits Summary for Employees Returning from Military Active Duty" from your Civilian Personnel Flight. If you didn't receive it, or you lost it, you can find it on the BEST Homepage under "Pamphlets and Brochures." Be sure to select the correct brochure, based on whether you receive Full or Limited services from BEST. Not sure if you receive Full or Limited services from BEST? Check out our handy article called "Full versus Limited Servicing - What Does It Mean?"

The Benefits Summary contains detailed, specific information about your benefits and entitlements and what you need to do. And of course, if you have any questions, BEST Benefits Counselors are ready, willing, and able to assist you. Counselors are as close as a phone call, and are available Monday through Friday, 7 a.m. to 6 p.m. Central Standard Time. Phone numbers are listed in the heading of this Newsletter.

[Top of the Document](#)

Calendar of Events

TSP Open Season: 15 Apr - 30 Jun 03

FSA Early Open Season: 19 May - 27 Jun 03

TSP Catch-Up Contributions: Sep 03

TSP Open Season: 15 Oct - 31 Dec 03

FEHB Open Season: 10 Nov - 8 Dec 03

FSA Open Season for 2004: 10 Nov - 8 Dec 03

[Top of the Document](#)