

**NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES  
SAN FRANCISCO CHAPTER 65  
SENTINEL**

**HERMAN BRACEY, EDITOR**

**Meets 3<sup>rd</sup> Wednesday each month, FOB 90 – 7<sup>th</sup> Street, SF, Lower Level Room B-040; (Civic Center BART station)**

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**JANUARY 2011 NEWSLETTER**  
**OUR NEXT MEETING IS ON JANUARY 19, 2011 AT FOB, 90 7TH ST,**  
**EXECUTIVE BOARD MEETING 10:30 AM; 11TH FLOOR RM 11010**  
**GENERAL MEETING 1:00 PM - LOWER LEVEL - "RM B-120"**  
**PHOTO ID REQUIRED TO ENTER BUILDING.**

**CALENDAR OF EVENTS**

JAN 19 REGULAR MEETING PROGRAM/ HELEN ZAJAC REGION VIII NATIONAL VP SPEAKER  
FEB 16 REGULAR MEETING/SPEAKER FROM ALZHEIMER'S ASSOCIATION  
MAR 16 TENTATIVE LUNCH AT CAFFE BELLA VENEZIA  
APR 16 -18 3<sup>RD</sup> BIENNIAL CSFA CONVENTION AT ONTARIO. CA

**PRESIDENT: JERRY HALL; 229 De Montfort Ave, SF, CA 94112; 412-0488, fritz1313@hotmail.com**

**GREETINGS AND CONGRATULATIONS TO ALL CHAPTER MEMBERS WITH BIRTHDAYS AND/OR ANNIVERSARIES IN JANUARY...** I want to thank the 35 participants who came to celebrate the holidays at Delancey Street Restaurant on the 15<sup>th</sup> of December. We enjoyed the excellent company, installed the officers for 2011, and gave away a number of door prizes. Thanks to Dee Shallenberger, District V Vice-President, for doing the installation and for her and Ed's constant support of our chapter. Remember to let me know if you are interested in being a delegate at the April convention in Ontario, CA. Also if you would like to support the convention, please contact Dianne Joseph (179 Chilton Av. SF, CA 94131 or 415-334-6380), your treasurer, to purchase \$5 raffle tickets for prizes, including a \$2011 grand prize (need not be present to win) or to simply donate \$1 to have your name listed in the convention brochure along with other chapter 65 members.

As proposals are tossed around to increase your health insurance payment from 30% to 50% of cost, please keep your representatives aware of your interests and work toward signing up at least one new member in NARFE. I believe federal retirees have contributed to the financial crisis by not getting a cost of living increase for the past two years and by paying the approximately \$1000 increase in the cost of health benefits. There are many other areas within the budget to address the deficits.

I am very pleased to announce that Helen Zajac, Region VIII National Vice President, will speak at our next meeting on January 19<sup>th</sup> at 1 PM at the Federal Building, 90 Seventh Street in San Francisco. Helen is an excellent speaker and I believe this will be a great opportunity for you to get to know better the officers that represent you here in California. Please make an effort to attend.

Finally, feel free to contact me via telephone or email (**415-412-0488, fritz1313@hotmail.com**) if there are any issues or activities that you would like the Chapter to address or sponsor. I take my responsibility of being your president seriously and am always open to your suggestions and insights. **Have a happy and successful New Year!**

**Excerpts on the benefits of dues withhold by our National President Joseph Beaudoin:** Most members know by now that delegates at the National Convention this summer voted (with 72.5% in the affirmative) to increase our national dues from \$29 to \$40 effective January 1, 2011. I believe that delegates correctly realized that NARFE needs the additional money in order to continue fighting the battle to protect the earned benefits of federal employees and retirees.

I also realize that some members may have difficulty paying the dues increase because 2011 will be the second year in a row that retirees will not receive a cost-of-living adjustment. At the same time, our FEHBP premiums will increase an average of 7.3%. But let me suggest a way to reduce the cost of your dues while at the same time helping NARFE Headquarters save money. You can do this by signing up for dues withholding.

For Chapter 65 members who pay their dues annually, signing up now for dues withholding will save you \$6.00; the Office of Personnel Management will deduct \$3.50 (\$34 national dues + \$8.00 chapter dues) per month from your annuity. Unfortunately Active federal workers are not eligible for dues withholding. Moreover, NARFE Headquarters will save on mailing cost and processing fees of annual statements. It's a win-win proposition at a time when NARFE and our members are looking for ways to save.

No matter the amount of dues at this point and we are sure you recognize what a real value NARFE continues to be for those who continue to receive their annuity and health benefits; certainly it's worth the \$.13 a day it will cost you on dues withholding. We have been very successful during the past two decades in protecting your benefits. So now is the time to renew your membership. The stronger we are the more clout we have on Capitol Hill. That there is strength in numbers is still true and your membership helps us to stay strong. **YOU NEED NARFE, NARFE NEEDS YOU!**

**Senate, House Pass Tax Cuts that Include Social Security Payroll Tax "Holiday"** The House on Thursday night, voted in the \$858 billion tax cut package negotiated by the White House and Republican leaders. Lawmakers in both parties expressed unhappiness with aspects of the package, but the House passed it 277-148 and sent it to the President for signature. On Wednesday, the Senate had overwhelmingly approved the measure by a vote of 81-19. Results of the House and Senate votes are available at <http://bit.ly/fVJM4o> and <http://bit.ly/eBs1iS>. According to The New York Times, many Democrats opposed provisions granting tax cuts to the highest earners, as well as an exemption for estates of up to \$5 million per person, or \$10 million per couple. However, Republicans said they would not accept any change. Another tax reduction, a one-year payroll tax cut, would lower from 6.2% to 4.2% the Social Security tax levied on income up to \$106,800. The government would then borrow about \$112 billion to make Social Security whole. Workers making \$50,000 in wages would get a \$1,000 tax cut; those making \$100,000 would get a \$2,000 cut. The deal would also extend unemployment benefits at their current level for 13 months, through the end of 2011. "Seniors worry – with good reason - that relying on borrowed money could eventually force the Social Security program to compete with other federal programs for scarce dollars, leading to cuts," said Edward F. Coyle, Executive Director of the Alliance for Retired American. Last Friday, the Strengthen Social Security Campaign, comprised of 250 organizations and representing more than 50 million members from many of the nation's leading aging, labor, and civil rights organizations - including the Alliance - sent a letter to Congress regarding the Social Security payroll tax cut. The letter urged Congress to oppose the tax "holiday."

## JANUARY 2011

### **"NARFE - Working for You"**

Visit OUR CHAPTER 65 WEB SITE: (<http://www.narfe65.org>) for more Chapter information, photos, archived newsletter, etc. NATIONAL WEB SITE: (<http://www.narfe.org>); CSFC WEB SITE: (<http://www.csfcnarfe.org>) **NARFE DUES:** Currently National Dues are \$29.00 and Chapter 65 Dues are \$8.00 annually. Mail check for the full \$37.00, along with your **DUES RENEWAL NOTICE**, when you receive it, to NARFE, Membership Services, 606 Washington St, Alexandria, Va. 22314-1914.

#### **SERVICE OFFICER: DAVID GARCIA 510 235-7750**

Important numbers: OPM 1-888-767-6738 (Administrative Problems); NARFE 1-800-456-8410 (Membership Problems); SOCIAL SECURITY 1-800-772-1213 (Life Cycle Problems ); LTC 1-800 582-3337 (For Applications and Information Kits); OPM Toll Number 1-724-794-5216.

#### **TREASURER'S REPORT: DIANNE JOSEPH; 179 CHILTON AVE, SF, CA 94131; 334-6380**

Balance on: 11/01/10	\$ 7,088.12
Income	\$ 644.87
Expenses	\$ 915.20
<b>Balance on: 11/30/10</b>	<b>\$ 6,817.79</b>

#### **SUNSHINE: EDITH HIGA 566-7358**

Our prayers and condolences go out to the family of **Fumiko Shimada**.

#### **MEMBERSHIP: HERMAN BRACEY, 651 COLE ST APT 2, SF, CA. 94117; 668-2337**

A warm WELCOME to our newest members **Melanie R Blaha, Brenda Buescher, Kathleen Campbell, Victor Dea, Robert G Harband, Makoto Horiuchi, Jessica L Marx, Ann Nutt and Linda Wong**. We thank **John W Roan** for reinstating his membership.

#### **Senate, House Pass Tax Cuts that Include Social Security Payroll Tax "Holiday"**

Tax Compromise Awaiting President's Signature: By a vote of 277 to 148, the House of Representatives approved an \$858 billion tax package that had earlier in the week passed the Senate by a vote of 81 to 19. President Obama signed the bill on Friday, December 17. The package includes a two-year extension of the Bush-era tax cuts, long-term unemployment and a one-year 2 percent Social Security payroll tax holiday. **The government would then borrow about \$112 billion to make Social Security whole.** NARFE, with our federal-postal coalition partners, worked to resolve an unintended consequence of the tax holiday which would have required Federal Employees Retirement System (FERS) workers to pay a higher contribution to the Civil Service Retirement and Disability Fund (CSRDF). Under current law, FERS workers pay 7 percent of their salary minus their Social Security contribution into the CSRDF. Without the fix, FERS employees would have their Social Security contribution decreased by 2 percent while then facing a 2 percent increase in their CSRDF contribution. Under the fix, FERS employees will not pay the increased contribution to the CSRDF.

Unfortunately, a proposal made by NARFE and other federal coalition partners that would have allowed Civil Service Retirement System (CSRS) employees to see a 2 percent reduction in their retirement contributions was not included. While CSRS employees do not pay into Social Security, they do pay 7 percent of their salary into the CSRDF, which is equivalent of a private-sector pension combined with Social Security.

A catchall spending measure, or continuing resolution, is still awaiting consideration in the Senate. An omnibus spending package to fund the day-to-day operations of the federal government through the remainder of Fiscal Year 2011, which ends on September 30, 2011, faced a filibuster in the Senate resulting in the start of negotiations for a continuing resolution. The House, on December 8th, passed a continuing resolution that would have financed the federal government through the remainder of FY 2011. The legislation caps agencies' operating budgets at \$1.1 trillion, level with last year's budget. The bill also includes a 1.4 percent pay raise for military personnel but freezes federal civilian salaries for two years, in line with President Obama's proposal to hold nonmilitary pay steady for 2011 and 2012. NARFE opposes the pay freeze. Workers still would be eligible for promotions and step increases.

**Consumer Price Index Update:** The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased during November by 0.06 percent. Released by the Bureau of Labor Statistics ([www.bls.gov/cpi](http://www.bls.gov/cpi) or 202/691-6994) on December 15, the CPI-W for November is 214.750. For purposes of calculating the next COLA (cost-of-living adjustment), the index is currently 0.35 percent below the 2008 third quarter average (due to price deflation, in the past measurement year, the 2008 third quarter average is still the point of comparison) base index of 215.5.

**HAPPY NEW YEAR**