

# National Association of Retired & Veteran Railway Employees, Inc.

— SINCE 1937 —

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NARVRE NEWSLETTER

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## FROM THE NATIONAL PRESIDENT —

This officer as well as Area 8 Director Bob Bloomer and Moody Retiree Representative A.W. “Whitey” Westphal had a busy week from April 10-17 in California chartering four new Units. We commenced on April 11 in Stockton, CA to charter their new Unit and on April 12 moved on the Bakersfield, CA to meet with the officers there. Through the efforts of Bob Bloomer he has resurrected the Bakersfield Unit which was one of our original California Units. We moved on to Needles, CA and from there took Amtrak to Winslow, AZ and chartered their new Unit on April 13. On April 14 we returned to Needles, Ca to formally charter a new Unit there as well. On April 15, another charter presentation was administered at San Bernardino, CA for a total of four new Units

in California. We also attended Railroad Days and took part in the NARVRE booth on April 16 in San Bernardino. April 17 we returned home after a busy week and we want to thank all those who participated in our journey west.

After returning home Whitey Westphal, Assistant Area 4 Director Gary Nelson and myself moved on to Willmar, MN on April 19, Staples, MN on April 20 and Grand Forks, ND with Informational meetings laying the groundwork for new Units in Minnesota and North Dakota.

For those who have been following the assault on public employees unions across the country in Wisconsin, Ohio and Indiana to name a few you can see where there is a pattern in states controlled by Republican governors as well as Republican legislatures. This is by design to rid their states of collective bargaining agreements at the guise

of balancing the budget. I think what could happen in the rail industry if a conservative element controlled both chambers in Congress as well as the White House. Most of us were members of various union crafts while working on the railroads. NARVRE supports collective bargaining as well as protecting the laws we have on the books in regard to the Railway Labor Act, Federal Employees Liability Act, Railroad Safety Act, Amtrak and the Railroad Retirement Act. Where would we be without this safety net? Whether you are pro union or not the labor movement in this country brought us the 40 hour work week, overtime, health care, sick leave and pensions. Labor unions built the middle class and without them you will see the demise of all that was gained by our forefathers over the last 75 years. We reap what we sow. Elections have consequences.

— Tom Dwyer, National President

## From the National Legislative Director —

The Railroad Retirement Board (RRB) is not funded by general taxpayer dollars, nor does it add to the U.S. fiscal deficit. Railroad Retirement benefits and the RRB operations are paid with taxes from railroad employees and the railroads that employ them. By law, railroad payroll taxes are transferred from the RRB to the Social Security Administration (SSA), where accounting separates out the Tier 1 benefit dollars (equivalent to Social Security benefits) for the RRB to pay their annuitants. Other Tier 1 benefits above and beyond this are entirely paid out of the Railroad Retirement Trust Fund, which is maintained entirely by the railroads and their employees through payroll taxes. By U.S. Law, if the Railroad Trust Fund faces a shortfall, the onus is on the railroad carriers alone to raise their taxes...not the employees, and surely, not the American taxpayer. Tier II benefits are fully funded by additional payroll taxes paid solely by railroads and

their employees. This, in a nutshell, is an abbreviated summary of a larger explanation that was recently used by rail labor and NARVRE, in addressing an unsubstantiated attack on the RRB. The full email (4/06/11) is posted on the Legislative Director's page on our website @ www.narvre.org.

The latest scribble is from Liz Peek, a favorite of Fox News and other extreme publications, and not one to let facts get in the way of her ramblings. Although she has been corrected, she continues to periodically twist the truth regarding Railroad Retirement and the Social Security Administration. By her own admission in an article last year, she states that she had never heard of “that federal agency”, when referring to the RRB. Her remarks are usually short, but consistent in falsely stating that the RRB is costing American taxpayers additional money and that it should be eliminated because Social Security already performs this work. Her remarks are off base and incorrect, and only serve to illustrate her own ineptitude, as she remains a repeat offender. None of us want

to give this writer anymore attention, but we want our members in NARVRE to know that her statements have been addressed, as are any other incorrect references to the RRB (I mentioned another example in last month's article). All of us in NARVRE, along with rail labor and the RRB must stay alert to offset the chance of something like this taking root. Working together remains are best defense.

Last January, we advised that there was a distinct possibility that plans might be introduced that would change Medicare as we know it. Rep. Paul Ryan, chairman of the House Budget Cmte. has introduced such a plan which he claims will save Medicare... apparently by killing it. Ryan's plan is designed to drive the Medicare system for the elderly and disabled into insolvency, with increased costs and/or less benefits for Medicare beneficiaries. Research done by the Congressional Budget Office (CBO), Kaiser Family Health Foundation (www.kff.org) and other senior advocacy news-

continued on page 3

## Guest Editorial

By Area 4 Director  
Roy Palmer

As a member of NARVRE's membership team, we are constantly reminded of changes in the Railroad workplace which affects our membership as a whole.

With run-thru agreements between the carrier and the members of the working Class, we find dwindling units in our great organization, When employees are forced to leave their homes to move to newer locations as the results, of carrier/union agreements, it weakens an active NARVRE unit. It almost reminds you of the ice cap where the Polar bear stranded on an ice flow, When it melts, the bear eventually drowns, this being the case of many of our units. Retired members are left behind and their numbers decrease and soon there is no one left to maintain the Unit, and it eventually dies.

At the present time, we are facing this problem across the nation, and if we are to survive as an organization, we better get busy. This Committee was originally started by our past National Vice President, Rich Renz, at the 2010 National Convention in La Crosse, Wisconsin, and is being continued by our present Vice President, George Wisdom.

My question is, after 74 years, why wasn't this committee started before this late date. Out of approximate 600,000 people on Railroad Retirement, why are only less than 16,000 involved in this organization. Why ????

I received a call tonight from a retiree in Florida, a former Chicagoan, who, was talking to a union official who had not the vaguest idea of what NARVRE was or why were are in existence. I wonder how many other union locals are not aware of NARVRE.. Can we attend local and national meetings and inform the membership of NARVRE's mission ????

I joined the Santa Fe in 1978 and went to 3 luncheons at a NARVRE meeting and lost contact with the organization until 28 years later. I would imagine that this could be the situation nationwide.

Being that my Unit is not far from our National Office, I have the opportunity to exchange ideas and views with our National Vice President on the subject of acquiring new members to our organization.

We are in the process of trying to assemble two types of material related to our Organization. The first packet will be a packet introducing eligible persons to the value

## Membership • Membership • Membership • Membership

of being a NARVRE member. The second packet will provide additional information about NARVRE, Information on the Unit's meeting place, and date.

The Asbestos information from the Moody Law Firm. Insurance information from Metropolitan Life Insurance Co, applications and leads to return with the names of potential members, will be furnished.

Our committee is everyone's committee,

this is not a SLAM DUNK project. Even thou we have come up with various ideas on what works in recruiting, we need input from our membership. What do you do and what approach do you employ when talking to potential members? Please reflect your ideas and forward them to our National Office to the attention of George Wisdom.

Thank you for your attention to this matter. Stay safe and sleep warm.

## Special Feature

### Benefits By Electronic Payment

By Bruce Rodman, Administration - Public Affairs  
U.S. Railroad Retirement Board

Starting this May, new applicants for federal benefits, including those paid by the Railroad Retirement Board (RRB), will be required to receive those benefits as electronic payments.

The most common form of payment, or electronic funds transfer (EFT), is through Direct Deposit where the money is automatically deposited in an individual's bank account. The RRB pays more than 90 percent of its benefits by Direct Deposit, which is higher than the government-wide average of about 85 percent.

As a result, people first applying for benefits on or after May 1 will be required to provide bank account information as part of the application process. For individuals that do not have a bank account, the payments will be made through the Department of the Treasury's Direct Express(r) debit card program.

After a Direct Express(r) card is issued the benefits are automatically loaded onto the card, which can then be used as an ordinary debit card. This includes the ability to make cash withdrawals at a nationwide network of automated teller machines and point-of-sale purchases at the cash register of most merchants and retailers.

While the RRB has encouraged applicants to sign up for Direct Deposit for a number of years, recent regulations adopted by the Department of the Treasury make use of EFT mandatory. The next step in making paper checks virtually obsolete will be March 1, 2013, which is the deadline for existing recipients of federal benefits to convert to payment by EFT.

The primary benefits of EFT payment

are timeliness and security. The benefit payments are deposited and available on the payment date, and there is no possibility that the check will be lost in the mail or stolen.

The RRB has also seen people experience difficulties with receiving payments in disaster areas. For example, mail service was disrupted by the hurricanes that hit the Gulf Coast several years ago. When mail delivery was restored, people receiving paper checks often had no place to cash or deposit them because nearby bank branches and currency exchanges were still closed. With EFT, the funds would have been deposited automatically and available for use.

Besides security and convenience, there is also an issue of cost savings, which is always an important consideration for government agencies and the people they serve. While it only costs about 10 cents to make an electronic payment, it costs more than \$1 to process and issue a paper check. By shifting the 136 million federal benefit checks issued in a year to EFT, the government will save about \$125 million annually.

While the deadline for existing benefit recipients to switch to EFT is a couple of years in the future, the RRB is encouraging people who currently receive a paper check to avoid any last-minute rush by switching over at their earliest convenience. This is fast and easy by visiting [www.GoDirect.org](http://www.GoDirect.org) on the Internet or calling (800) 333-1795. The website also has a variety of educational materials, including frequently asked questions about EFT and the available options.

**(National Legislative Director from page 1)**

letters (MedicareRights, NCPSSM, ARA, etc) have all reported that Ryan's plan is a road to ruin, as it will eventually force new enrollees to pick out new health care plans from the private, for-profit health care insurance industry. Ryan states that this defined contribution will give seniors a choice in coverage (using a voucher plan), but does not explain the full costs of these plans or what mechanisms will be used to figure the costs above and beyond the voucher payment. If the seniors use services above the costs of their voucher check, how much more will they have to pay? There are no regulations or guarantees built into this new health care system. They place the Medicare consumer into picking a plan with different amounts of coverage, and if a major illness hits that isn't covered, it could lead to bankruptcy. The independent CBO estimates that Medicare consumers will be responsible for a considerably higher percentage of their health care insurance costs under this Republican scheme. Significant increases in out-of-pocket costs would be devastating for the Medicare population. Presently, more than on-half of all people with Medicare have annual incomes of \$20,000 or less, and who already spend about 16.2 percent of their incomes on health care. This plan

will hand over all of the Medicare applicants to the private, for-profit insurance industry to fend for themselves without the basic safeguards that the current Medicare system now provides. Will the market go right back to paying high incentive rates in sales, without regulations to limit abuses that have been practiced in the past? This voucher system in the private market would only affect those that are 54 years of age and under, but there are other immediate problems with this plan, in that Ryan will repeal the Affordable Care Act (last years health care reform), killing the new benefits for seniors in 2011 and beyond, closing the Part D Prescription Drug Plan coverage ("doughnut hole") as well as abolishing the Medicare Independent Advisory Board created to recommend changes in Medicare spending. If the Ryan Plan will "save" Medicare, why would he want to repeal a plan that cuts spending in the system? How will these for-profits deal with the "pre-existing condition" issues, and

the reform that allows families to keep their children on their policies for another year or two? The CBO has estimated that the new health care reform legislation (ACA) will extend the life of the Medicare Trust Fund by twelve (12) years. This Republican Budget plan will slowly kill it, which is what this scheme is all about. Further, the plan will cut the top tax rates from 35 % down to 25 %, and they do not devote any of those savings to the deficit, which is currently part of the major debate in the Congress. His plan simply gives that revenue away to the wealthiest people in the nation. If you wish to receive legislative information emails from this office, you can simply send me a request with your name, city and state, and include your Unit if you belong to one (faleyg@comcast.net). If you do not belong to a Unit, please advise as to when you joined and that you are a current member.

— **Gary M. Faley**  
**National Legislative Director**

**From Palmetto, GBA**

**Should I Sign A Private Contract With My Doctor?**

It's a difficult choice - to receive the services of a physician or practitioner who does not participate in the Medicare program, or to pick one that does.

If your doctor has chosen to "opt out" of the Medicare program, and you want to receive or continue to receive services from them, he or she must have you sign a "private contract" for services that would

otherwise be covered by Medicare. Once you sign the contract, Medicare will not pay for any services provided by that physician/practitioner. In addition, no Medicare payment may be made to you for items or services provided directly by a physician or practitioner who has opted out of the program.

In a private contract, you agree to give up Medicare payment for services furnished by the physician/practitioner and to pay the physician/practitioner without regard to any limits that would otherwise apply to what they could charge.

The only exception is in an emergency or urgent care situation. Payment can be made for Medicare covered items or services furnished in emergency or urgent situations if you have not signed a private contract with that physician/practitioner.

How long does opt-out last?

When a provider opts-out, they agree not to participate in the Medicare program for two years, unless the opt-out is terminated early or he/she fails to maintain opt-out.

After the two years are over, a physician/practitioner could elect to return to Medicare or to opt out again. If you sign a private contract with a physician/practitioner, you still can receive services from other physicians and practitioners who have not opted out of Medicare.

What kind of physicians or practitioners can opt-out?

"Physician" means doctors of medicine, doctors of osteopathy, doctors of dental surgery, doctors of dental medicine, doctors of podiatric medicine and doctors of optometry who are legally authorized to practice dentistry, podiatry, optometry, medicine or surgery.

No other physicians may opt out. 'Practitioner' means any of the following to the extent that they are legally authorized to practice by the State and otherwise meet Medicare requirements:

- Physician assistant

**From the National Vice President —**

The National Office has received several calls recently about Met-Life Insurance. As they fielded questions concerning, "...phone numbers and addresses...", they answered the easy ones. Met-Life Insurance benefits are a part of the Railroad Employees National Health and Welfare Plan. This is a very important reminder that everyone who qualifies for the \$2,000 death benefit should check with Met-Life regarding beneficiary assignment, unless you know it has been taken care of and is up to date.

Recently, the daughter of a retired Conductor called and said her dad wanted her to receive his \$2,000 benefit, but he had not up-dated the required 'Beneficiary Form' after his wife passed. Another call from a niece of a retired clerk said her aunt left her a signed note that she wanted her to receive the \$2,000 benefit from Met-Life. Again the 'Beneficiary Form' had not been brought up to date and the note in the niece's possession had not been signed before a notary. How these situations will end, we do not know. Maybe your Spouse has passed and/or there has been a divorce. Contact Met-Life for a Beneficiary change — you must make the change. Remember, most contract employees are covered.

So, as I write this reminder, please, make sure your Beneficiary assignment is correct. If not, call and request a 'Beneficiary designation form' and send the update to the Met-life Record Keeping Center, P.O. Box 6129, Utica, NY 13504-6129

Do your family a favor. Put the information in with your important papers, so at the time of your passing it will help the administrator of your estate. Met-Life Insurance's phone number is 1-800-310-7770.

You are important to N.A.R.V.R.E. make N.A.R.V.R.E. important to you.

— **George Wisdom**

**Palmetto, GBA from page 3**

- Nurse practitioner
- Clinical nurse specialist
- Certified registered nurse anesthetist
- Certified nurse midwife
- Clinical psychologist
- Clinical social worker
- Registered dietitian
- Nutrition Professional

The opt-out law does not define 'physician' to include chiropractors - which means they may not opt out of Medicare and provide services under private contract. Also, physical therapists and occupational therapists in independent practices can't opt out because they are not within the opt-out law's definition of either a physician or practitioner.

What does the Private Contract Look Like and Say?

A private contract must:

- Be in writing and in print that is large enough so that you can read the contract
- Clearly state whether the physician/practitioner is excluded from Medicare
- State that you or your legal representative accept full responsibility for payment of charges for all services provided by the physician/practitioner
- State that the you or your legal representative understand that Medicare limits do not apply to what the physician/practitioner may charge for items or services provided by the physician/practitioner

• State that you or your legal representative agree not to submit a claim to Medicare or to ask the physician/practitioner to submit a claim to Medicare

• State that you or your legal representative understand that Medicare payment will not be made for any items or services furnished by the physician/practitioner that would have otherwise been covered by Medicare if there was no private contract and a proper Medicare claim had been submitted

• State that you or your legal representative enter into the contract with the knowledge that you have the right to obtain Medicare-covered items and services from physicians and practitioners who have not opted out of Medicare. It must also say that you are not compelled to enter into private contracts that apply to other Medicare-covered services provided by other physicians or practitioners who have not opted out

• State the expected or known effective date and expected or known expiration date of the opt-out period

• State that you or your legal representative understand that Medigap plans do not - and that other supplemental plans may elect not - to make payments for items and services not paid for by Medicare

• Be signed by you or your legal representative and by the physician/practitioner

• Not be entered into by you or your legal representative during a time when you require emergency care services or urgent care services

• Be provided (a photocopy is acceptable) to you or your legal representative before items or services are furnished to you under the terms of the contract

• Be retained (original signatures of both parties required) by the physician/practitioner for the duration of the opt-out period

• Be made available to the Centers for Medicare and Medicaid upon request

• Be entered into for each opt-out period

There is no doubt that staying with, or going to, a provider who does not participate in Medicare can be a difficult choice to make. If you would like to find a physician or practitioner in your area who participates in the Medicare program, please call the Railroad Beneficiary Contact Center at (800) 833-4455 or TTY at (877) 566-3572.

— Jennifer Johnson

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