



AFSC Benefactor

YOUR ARMED FORCES SERVICES CORPORATION NEWSLETTER

MESSAGE FROM AFSC CEO GEOFF DEUTSCH

Thank you for your support of those who serve, and the peace and freedoms they protect!

We hope you and your families had a safe and happy holiday and wish you all the best in 2011. This holiday season was a time for us to remember and thank all Servicemembers—Active Duty, Guard, Reserve, Retired—Veterans and military families for their sacrifice and service to this great nation. We extend a very special “thank you” to all survivors, whose loved ones made the ultimate sacrifice in defense of our freedom.

LEGISLATIVE NEWS FOR MILITARY FAMILIES

NATIONAL DEFENSE AUTHORIZATION ACT (NDAA) FY2011 & POST 9/11 GI BILL EXPANSION

The Fiscal Year 2011 National Defense Authorization Act, a United States federal law that is enacted each year to specify the budget and expenditures of the United States Department of Defense, passed Congress on December 22, 2010. Some of the changes in this year’s legislation that may affect you include:

- 1.4% across-the-board pay raise for members of the uniformed services allowances, bonuses, death benefits, and permanent changes of station moves.
- There will be no increase in premiums, charges or copayments for: TRICARE Prime, inpatient charges covered under TRICARE Standard and prescription drugs orders filled through the TRICARE retail pharmacy before the end of the current fiscal year on September 30, 2011.
- TRICARE-26 guarantees that children of service members can stay covered under the military’s TRICARE health care program until they are 26 years of age. The legislation requires a premium for their coverage. Premium rates have not been determined as of the time of this newsletter.

- Retired annuities will be paid on the first day of the month, thus eliminating delayed payments when pay days fall on weekends.
- Expedites background investigations for security clearances for Wounded Warriors and spouses seeking employment with DoD or DoD contractors.
- Service members who serve on active duty for more than 30 years and are retired for disability will receive retired pay based on their years of service, up to 100 percent of their retired pay base.

Wounded Warrior Provisions

- The Secretary of Defense is required to develop and implement education and training programs on the use of pharmaceuticals for patients in a Wounded Warrior unit, non-medical case managers, military leaders, and family members.
- The rate of the monthly stipend under the DoD family caregiver compensation program has been established. It will be the same amount as the caregiver stipend under the Department of Veterans Affairs program of comprehensive assistance for family caregivers.

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- Authorizes enrollment in DoD elementary and secondary schools for military dependents residing in temporary housing, regardless of whether the housing is on federal property, due to the unavailability of adequate permanent living quarters on installation, or while the Service member is wounded, ill, or injured.

Military Families with Special Needs Provision

- Office of Community Support for Military Families with Special Needs is required to establish or support centers to provide services for military children with special needs, and the establishment of an advisory panel on community support is mandated.

MEDICARE REIMBURSEMENT RATE FIX PASSED BY CONGRESS

Medicare physician reimbursement rates were scheduled to be cut January 1, 2011, however the scheduled was amended to keep reimbursement the same until the end of 2011.

POST-9/11 G.I. BILL

Congressional negotiators streamlined use of the stipend and imposed a new nationwide tuition cap of \$17,500 for all private college degree programs. Veterans using the Post-9/11 GI bill will see their monthly living stipends stopped between fall and winter semesters, starting next year, and only full time students will continue to draw stipends at the 100 percent rate.

Tom Philpott of Military Update provided the following summary of the legislation's benefits:

- **Expanded Coverage**
Post-9/11 GI benefits no longer will be limited to pursuing a college degree. Veterans will also

be able to use their benefits to gain skills through on-the-job training, apprenticeships, vocational-technical schools and other non-degree granting institutions.

- **More Guard Members Eligible**

Correcting an oversight of the 2008 GI Bill law, National Guard members soon will qualify for the new GI Bill if activated for a sufficient length of time since 9/11 under Title 32 for domestic emergencies or homeland security missions. Also qualifying will be full-time service under the Active Guard and Reserve (AGR) program.

- **Complexity Reduced**

New GI Bill benefits used at public colleges and universities will continue to cover full tuition and fees. But the variance in entitlements for attending private colleges will end through use of a \$17,500 benefit cap, to be adjusted annually based on the nationwide rise in education costs. The cap will replace different ceilings in every state based on tuition and fees at its most expensive degree-granting public college.

- **Book Stipends**

Active duty members and spouses attending college will be eligible for the new GI bill book stipend, up to \$1000 a year.

- **Online Students**

Students exclusively taking classes online will receive a living stipend equal to half of the average housing allowance stipend paid to resident students, a payment of more than \$650 a month.

- **Disabled Assistance**

Veterans with service-connected disabilities who are eligible for GI Bill benefits but elect to participate in Vocational Rehabilitation and Employment

(VRE) training will become eligible for a new living allowance too, of up to \$780 a month. This will provide financial help to disabled vets who don't want to lose VRE case management services but have been missing out on the stipend paid Post-9/11 GI Bill users.

- **Kickers**

Students who received recruitment or retention kickers from DoD under Montgomery GI Bill or MGIB for Selected Reserves will be able to convert that assistance into Post-9/11 benefits.

Reprinted here with permission of Tom Philpott. His Military Update column is syndicated to daily newspapers near military bases.

NO ANNUAL COST OF LIVING INCREASE FOR 2011

The Social Security Administration announced that no cost-of-living adjustments (COLA) will be made to Social Security benefits in 2011 because the Consumer Price Index has not risen. As a result, Veterans, families and survivors will not see an increase in their compensation and benefits—military retired pay, military SBP and VA compensation—from the Department of Veterans Affairs (VA).

Under federal law, the cost-of-living adjustments to VA's compensation and benefits rates are the same as those for Social Security benefits. The last COLA was in 2008.





The Department of Veterans Affairs began accepting applications for the Post-9/11 GI Bill: Marine Gunnery Sergeant John David Fry Scholarship effective May 1, 2010.

The program offers up to 36 months of educational benefits. Select VA Form 22-5490 for original applications to apply.

Who is eligible?

Children of an active duty member of the Armed Forces who has died in the line of duty on or after September 11, 2001, are eligible for this benefit.

Eligible children:

- Are entitled to 36 months of benefits at the 100% level
- Have 15 years to use the benefit beginning on his/her 18th birthday
- May use the benefit until his or her 33rd birthday
- Cannot use benefit before age 18, even if he or she has completed high school
- Are not eligible for the Yellow Ribbon Program

For more information, call toll-free **1-888-GIBILL-1 (1-888-442-4551)**, or visit the VA GI Bill Website at <http://www.gibill.va.gov>.

A LOOK INTO AFSC



by Jennifer A. Harlow
Manager of Member & Survivor Services

I take great pride in helping our members. That's because I have tremendous respect for the military and families that support them. It is extremely rewarding to provide survivors with the vital information they need to navigate

their way through an uncertain period and plan their future. AFSC provides ongoing benefits training which gives me the confidence to know I am providing accurate information to the survivors and Casualty Assistance Calls Officers. After 12 years with AFSC one thing remains the same—I strive to be compassionate with our members and proficient in my duties every day. AFSC's culture is to assist our members in any way possible. If it is out of our scope we don't say "not my job", we work to find the answer. It is this culture that has helped me grow professionally and personally, and you are the reason I come to work every day.

Contact Jennifer A. Harlow anytime by phone (888) 237-2872 or email at jharlow@afsc-usa.com.

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VIGNETTE OF AN AFSC MEMBER*

"I wasn't ready to think about this before but now I am. It's been so confusing, and I just didn't know what to expect. I was on information overload. Now I'm ready. I need to know about the kids' educational benefits, what changes for them and at what age, and about my benefits. Am I getting everything I'm entitled to receive? What do I need to do next? Can you help me understand? I need to do right by my children. Please talk me through my benefits and my options." —Kathy

After her husband's death in Iraq in 2009, Kathy considered moving back home to West Virginia and living with her parents. Sole responsibility of providing for a three and six-year old was daunting for someone who hadn't worked outside the home for seven years, didn't have a college degree and was only 28 years old. Kathy was determined to make something of her life so she could take care of the kids and make her family proud.

Kathy didn't realize she had educational options until she called an AFSC counselor. She knew the kids had VA educational benefits to attend college, along with Social Security and VA DIC if they attended an approved school, but she didn't know she was eligible for VA educational

benefits too. We reviewed her annual benefits and helped Kathy file the appropriate forms.

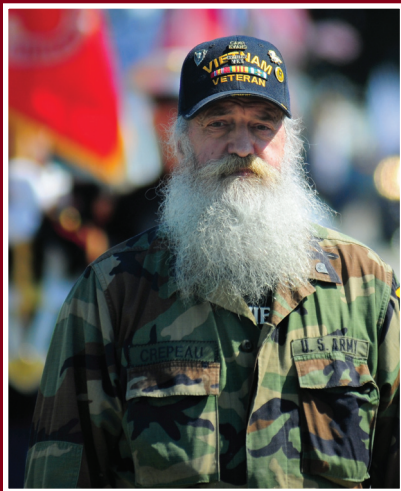
As a full-time student she would receive \$936 per month for a maximum of 45 months from the VA's Dependent Education Assistance (DEA) program, meaning she was entitled to more than \$42,000 for undergraduate nursing studies. AFSC also reviewed the education benefits for the two children. Her husband's service qualified each for a DEA program benefit totaling \$84,200. If elected, the Child-Only Student Survivor Benefit Plan (SBP) had a total value of \$115,000 for each.

Kathy started school and called our counselor to let her know what a difference this opportunity made in her life and the lives of her children. She was excited and had a clear goal. She knew what she wanted to do with her life. But mostly she wanted to pass along her gratitude for helping her go back to school and provide for her children. She told us her husband would be proud of her. We're proud of Kathy too.

** This vignette is a composite drawn from more than one member.*

THREE NEW AGENT ORANGE RELATED DISEASES

If you or someone you know served in-country in Vietnam between January 9, 1962 and May 7, 1975, that person may have been exposed to an herbicide called Agent Orange. Veterans and survivors may be entitled to receive compensation related to that exposure.



The Department of Veterans Affairs published its final regulation for compensating Vietnam veterans with **ischemic heart disease, Parkinson's disease or B-cell leukemia** or their surviving spouses on August 31, 2010. These diseases would be added to the list of ailments VA presumes are caused by wartime exposure to Agent Orange, which includes:

- Chloracne
- Type II Diabetes
- Hodgkin's Disease
- Chronic Lymphocytic Leukemia
- Multiple Myeloma
- Non-Hodgkin's Lymphoma
- Porphyria Cutanea Tarda
- Prostate Cancer
- Respiratory Cancers
- Soft Tissue Sarcoma

Besides disability pay, back payments could include:

- Dependency and Indemnity Compensation for the widow,
- Enhanced burial benefits if a veteran's death was due to a service-connected condition and
- If the veteran was 100 percent disabled at the time of death, 36 months of education benefit to a spouse or a child, no matter what age the child is today.

Feel free to contact our VA Representative, Doug Davis, at ddavis@afsc-usa.com. There are deadlines and limitations to the claims so please contact Doug Davis as soon as possible for assistance.



The Cammisio Group at Merrill Lynch offers financial planning and investment management services. This is the fourth in a series of financial columns in your AFSC newsletter.

by Sarah A. Cammisio, CIMA®, CRPC®, WMA, First VP, PIA Portfolio Manager, Merrill Lynch

After having worked with The Cammisio Group from Merrill Lynch in giving financial planning workshops to our members, we have found that military and retired military families share three main financial concerns:

1. Ensuring that their surviving spouse is protected should something happen to the member;
2. Knowing that they will have enough money to live comfortably in retirement; and
3. Creating an investment strategy that will be used to reach their goals and position them to weather the storms in the market.

To help accomplish these goals, many turn to financial professionals for guidance. Choosing wisely could greatly affect your family in the long run. What should you look for when making this important decision to hire a financial advisor team?

First, determine your own needs and then go one level deeper. For example, are you looking for holistic financial planning or advice only pertaining to your investment portfolio? If the former, a good financial advisor will

help you plan for retirement, education expenses, life insurance needs, long term care needs, and investment strategies, among other related issues.

Secondly, do your research to determine what different institutions are known for, such as executing trades, full-service planning and implementation, having one focus (i.e., REITs), or having proprietary or non-proprietary mutual funds.

Next, interview the advisor or team of advisors. How large is their client base? What makes them different? Will you be working with the lead advisor or a junior advisor? What is their investment philosophy? What is their fee structure? Do all of their clients have the same portfolio? In this interview, also be sure to determine how long they have been working for their current company, which is helpful in determining if they are likely to stay with the firm for the long term. And, finally, ask about their professional designations: Do they have a Certified Financial Planner or Certified Investment Management Analyst on their team (or, even better, both)?

Interviewing several people is a good idea; just because a friend or family member likes someone doesn't mean you will. We suggest meeting with your final choice twice before signing any paperwork. It is always good to double check your initial impression. And, follow your gut instinct. If you think you will not like to work with someone, you are probably right.

Finally, make sure that the person you choose to work with, and their firm, has a long history of being reputable and ethical in the areas of financial planning and investment management, and that the firm you choose can support your needs in research, planning, and implementation of action items that will help you reach whatever dreams you may have. The ultimate goal is to give you the peace of mind of knowing that you are doing all that you can do to make them happen.

SOCIAL SECURITY BENEFIT & VA INFORMATION FOR ACTIVE DUTY SURVIVORS

DID YOU KNOW?

- If you receive parental Social Security benefits, your parental payments end when your youngest child reaches age 16. Benefits to the child will continue until graduation from high school or age 19, whichever comes first.
- When your child(ren) reaches age 18 benefits entitlement changes. The monthly check you receive from the Department of Veterans Affairs will reduce

during the month your child reaches age 18. However, if the child is still in high school, the VA will pay \$243 DIC per month until graduation. If the child is in college, she/he may qualify for the VA Dependents Education Assistance Program.

*For more information or assistance please call Member and Survivor Services at **888-237-2872**.*

UNCLE SAM IS GOING ELECTRONIC!

HAVE YOU SIGNED UP FOR DIRECT DEPOSIT?

In December the U.S. Department of the Treasury announced a new rule intended to provide safer and cheaper electronic benefits payments to millions of Americans. The Treasury Department plans to phase out paper checks for federal benefits by March 1, 2013. Anyone who receives their federal benefit payments through direct deposit will be unaffected by the changes.

If you have a bank account and receive VA benefits, payments from Social Security, Supplemental Security Income, Railroad Retirement Board, or the Office of Personnel Management through the mail in the form of a paper check, you are urged to switch to direct deposit now. After May 1, 2011, everyone who begins receiving VA's compensation or pensions for the first time will automatically receive the benefits electronically.

Social Security and Supplemental Security Income recipients who don't have a bank account will begin receiving their funds via a pre-paid debit card later this year. It's intended to avoid some security problems, like stolen checks, but there will be some cardholder fees with Direct Express. So if you have a bank account, consider switching to direct deposit.

*To learn more about the federal government's switch to direct deposit or to change VA benefits to direct deposit, visit www.GoDirect.org. Information about the federal government's "Go Direct" campaign is also available at **1-800-333-1795**. For more information about VA benefits and programs, go to www.va.gov or call VA toll free at **1-800-827-1000**.*

INTEREST RATE REDUCTIONS FOR THE MILITARY

Did you know that some active duty personnel may qualify for an interest rate cap on credit cards, mortgages and other loans?

The Servicemembers Civil Relief Act provides special protection that caps the interest rate at 6% while on active duty. To be eligible, you must have incurred the debts before you entered active duty and your military service must affect your ability to repay them. Although people who took a pay cut to join the military can benefit from the law, it's most helpful for members of the Reserves and National Guard who often leave higher paying civilian jobs for long periods when called up. This includes debt taken out jointly with a non-military spouse.

You can request the rate reduction on your loans or get help from an Armed Forces Legal Assistance office. Check their website for contact information and sample letters

to send to lenders. To prove that your income has been reduced, you may be asked to submit copies of your military orders, earning statements, and tax returns. To make the most of the provision, pay down as much of your high interest credit card balances as possible while the rate is low—more of your payment goes to principal rather than just interest.

Your interest rate will rise when your active duty service ends, but the higher rate will apply only to the remaining balance. The extra interest—the difference between the higher and lower rates—while on active duty is forgiven, not just deferred.

ARE THE HOLIDAYS A DIFFICULT PERIOD FOR YOU?

DO YOU NEED SOME HELP GETTING THROUGH THE WINTER DOLDRUMS?

If you are a military survivor, you are warmly invited to attend the TAPS National Military Survivor Seminar and Good Grief Camp for young survivors held every Memorial Day Weekend in Washington, DC. Visit the web site at www.taps.org for more information.

TAPS also welcomes new volunteers. If you would like to find out more about how you can help, please e-mail volunteer@taps.org.

STOP LOSS DEADLINE EXTENDED TO MARCH 4, 2011

It's not too late for Servicemembers, Veterans and their families who were affected by Stop Loss to file a claim for pay they've earned. In December Congress extended the deadline until March 4, 2011.

Background: The 2009 War Supplemental Appropriations Act established Retroactive Stop Loss Special Pay (RSLSP), providing \$500 for each month/partial month served in Stop Loss status. Servicemembers, Veterans and beneficiaries of Servicemembers whose service was involuntarily extended under Stop Loss between Sept. 11, 2001 and Sept. 30, 2009 are eligible for RSLSP.

To receive this benefit, those who served under Stop Loss must submit a claim for the special pay. Throughout

the past year, the Services have been reaching out to Servicemembers, Veterans and their families through direct mail, veteran service organizations, and the media. But there is still money left to be claimed, and the new deadline is rapidly approaching. DoD says the average benefit is \$3,700.

Eligible Servicemembers should print, complete and sign Department of Defense Form 2944, Claim for Retroactive Stop Loss Payment. Next, choose the appropriate method for submitting the claim form and available supporting documents based on your Service specifications.

For more information, including submission requirements and service-specific links, go to <http://www.defense.gov/stoploss>.

FREQUENTLY ASKED QUESTIONS



WHO DO I CALL TO CHANGE MY ADDRESS OR DIRECT DEPOSIT FOR MY MONTHLY BENEFITS?

- Defense Finance and Accounting Service (DFAS) is the point of contact for your Survivor Benefit Plan (SBP) and Student SBP Entitlement:
Address Change & Direct Deposit: 1-800-321-1080
- Department of Veterans Affairs (VA) is the point of contact for your Dependency Indemnity Compensation (DIC) and Dependant Education Assistance (DEA):
Address change: 1-800-827-1000
Direct Deposit: 1-877-838-2778
DEA: 1-888-442-4551

HOW DO MY BENEFITS CHANGE WHEN I REMARRY? WILL MY CHILDREN BE AFFECTED?

Upon remarriage your benefits will change, think "suspended" when it comes to Defense Finance and Accounting Service (DFAS) Survivor Benefit Plan (SBP), Department of Veterans Affairs (VA) Dependency

Indemnity Compensations (DIC), Social Security and ID card privileges. Think "terminated" when it comes to TRICARE. Below you'll find the details of each program and its laws regarding remarriage.

- DFAS-SBP is suspended if a spouse remarries under age 55, but may be reinstated if that marriage ends through death, divorce, or annulment. Spouse's who remarry after age 55 will continue to receive the benefit.
- VA-DIC is suspended if a spouse remarries under age 57, but may be reinstated if that marriage ends through death, divorce, or annulment. Spouse's who remarry after age 57 will continue to receive the benefit.
- Social Security is suspended if a spouse remarries under age 60, but may be reinstated if that marriage ends through death, divorce, or annulment.
 - If you remarry after age 60 (50 if disabled), you can still collect benefits on your former spouse's record. When you reach age 62 or older, you may get retirement benefits on the record of your new spouse if they are higher.
- ID card privileges, such as commissary and exchange, are suspended regardless of the spouse's age, but may be reinstated if that marriage ends through death, divorce, or annulment.
- TRICARE is terminated regardless of the spouse's age; this benefit will not be reinstated if the marriage ends in death or divorce. Spouses of a veteran whose death is service-connected may be covered under by CHAMPVA as long as they are not eligible for TRICARE. CHAMPVA is suspended if a spouse remarries before age 55, but may be reinstated if the marriage ends through death, divorce, or annulment.

MEDICARE PART B PREMIUM COSTS IN 2011

The Medicare Modernization Act of 2003 made significant changes to the way in which Medicare Part B premiums are calculated. Beginning in 2007, some seniors have been required to pay higher premiums under a new means test based upon Adjusted Gross Income (AGI). AGI is your total income from all sources, minus certain adjustments, and is usually the bottom number on the front side of your 1040 tax return. The regular Part B premium for 2011 remains unchanged at \$96.40 for beneficiaries who held coverage in 2009 and earlier, or \$110.50 for beneficiaries who started coverage in 2010.

Below is a chart depicting the increased cost of Part B premiums in 2011 for those with AGI over \$85,000 for an individual filing single or \$170,000 for a married couple filing a joint return. The IRS will provide your tax return information to CMS for the two years preceding the year for which the higher Part B premiums are applicable. Certain life-changing events will allow modifications to the data provided by the IRS for determining a modified AGI.

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Total monthly premium amount:
Less than or equal to \$85,000	Less than or equal to \$170,000	\$96.40 (if coverage started in 2009 or before); \$110.50 (if started in 2010); \$115.40 (for all others)
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$161.50
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$230.70
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$299.90
Greater than \$214,000	Greater than \$428,000	\$369.10

THE BENEFACTOR IS GOING ELECTRONIC.

This will be the last printed edition mailed to you. The newsletter will be available on the Member Services page of the AFSC website under "Information Library" (http://afsc-usa.com/information_library.html) and also sent to members for whom we have an email address. Please update your information by sending your preferred email address to info@afsc-usa.com with the subject line "Benefactor email address" or call 888-237-2872. Thank you.