

# ***Retiree Appreciation Day*** **Selfridge ANG** **Legislative & Benefits Update**

***September 24, 2011***

Presented by

***Katherine O'Neill Tracy***

**COMMANDER, USN (Ret)**

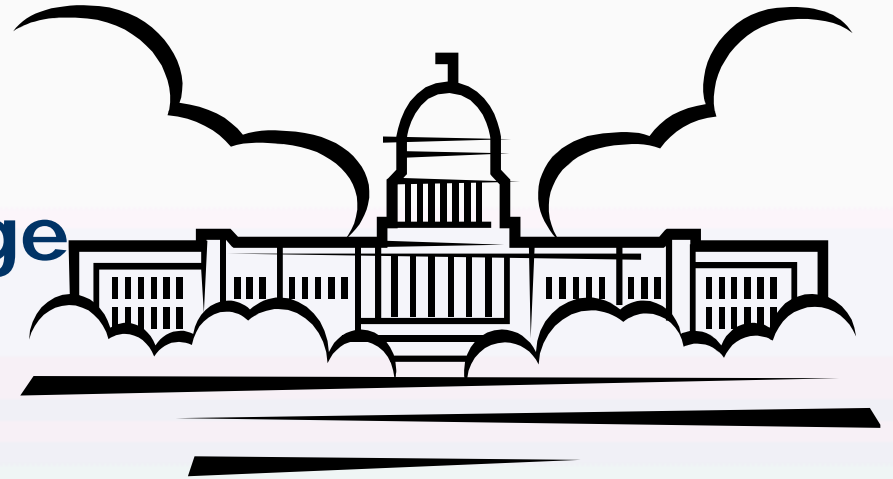
**Deputy Director, Benefits Information and  
Financial Education Department**

**Military Officers Association of America**



# Agenda

- **Legislative Overview**
- **NDAA**
- **Health Reform**
- **Tricare**
- **Survivor Benefits**
- **Effects of Remarriage**



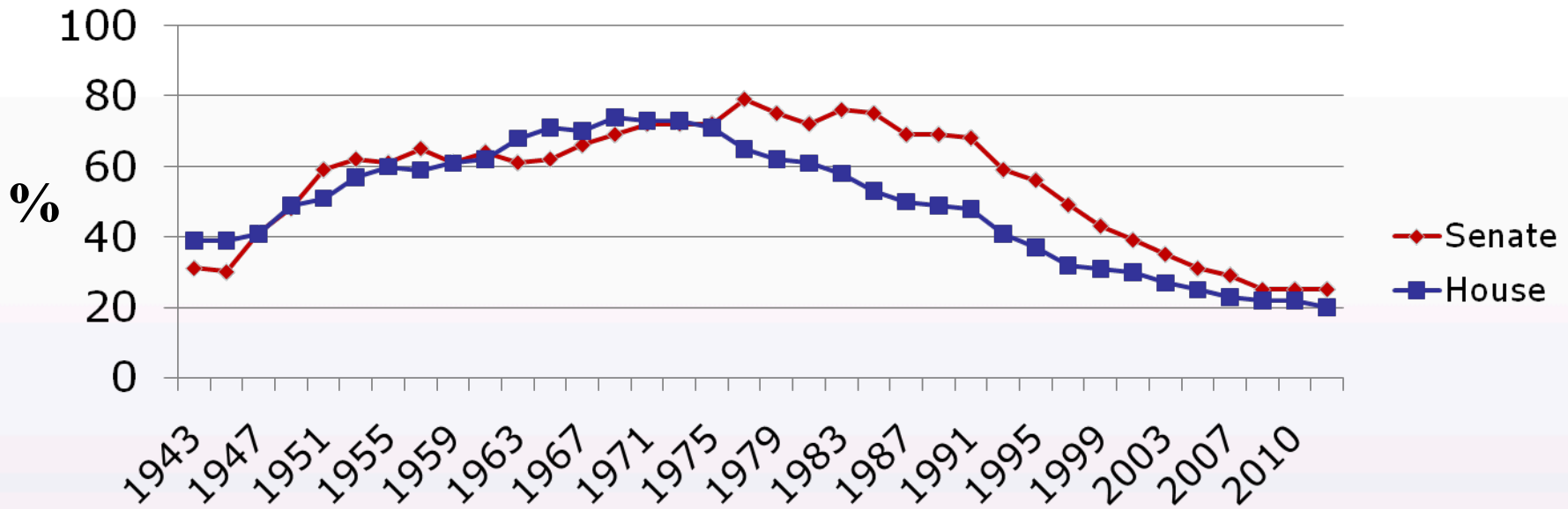
# Legislative Overview

# Legislative Gains 2000-2011

- Tricare For Life
- Avg. 3.7% A/D Pay Raise FY00-FY11
  - 1.4% in 2011 (High 6.9 in '02; low 1.4 '11)
- Combat-Related Special Compensation
- Concurrent Receipt for 50%+ disability
- End strength increases
- TRICARE fee increase blocks
- Grd/Res retirement age credit for AD service
- Repeal of Social Security offset for SBP
- Paid-up Survivor Benefit Plan
- Special Survivor Indemnity Allowance--SBP
- Homeowners Assistance Program for PCSs
- Major new GI Bill

# Declining Military Experience in Congress

	1991	1995	1999	2003	2005	2008	2009	2010	2011
Senate	68%	56	43	35	31	29	25	25	25
House	48%	37	31	27	25	23	22	22	20



# The Challenges

- ① The Budget Deficit
- ① War Costs and Actions
- ① Entitlement programs
- ① DOD Health Care Costs
- ① Size of the Defense Budget
- ① Military People vs. Weapons Costs

# **National Defense Authorization Act (NDAA)**

## **FY 2011 Results**

# NDAA FY2011 Status



TRICARE No Fee Increases .....



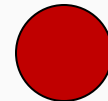
TRICARE to age 26 .....



SBP-DIC Offset .....



Concurrent Receipt .....



Guard-Reserve Retirement Reforms ..



P9-11GIB Reforms .....



# TRICARE to Age 26

- AKA TRICARE Young Adults (TYA)
  - See your TRICARE Benefits Counselor
- TRICARE Standard program
  - Starts 1 May (retro to 1 Jan 2011)
  - Premiums, \$186 month
- TRICARE Prime program
  - Starts 1 Oct
  - Premiums, \$213 month



# **National Defense Authorization Act (NDAA)**

## **FY 2012 Status**

# Legislative Priorities for 2012

- **Stop extreme TRICARE Fee Hikes**
- **Fix Big Inequities in:**
  - **Disabled Retirees –Concurrent Receipt**
  - **Military Widows – SBP-DIC Offset**
  - **Guard/Reserve Retirement Reforms**

# NDAA FY2012 Status



**BASED ON CURRENT PROPOSED BILLS**  
**\*\* SUBJECT TO CHANGE \*\***

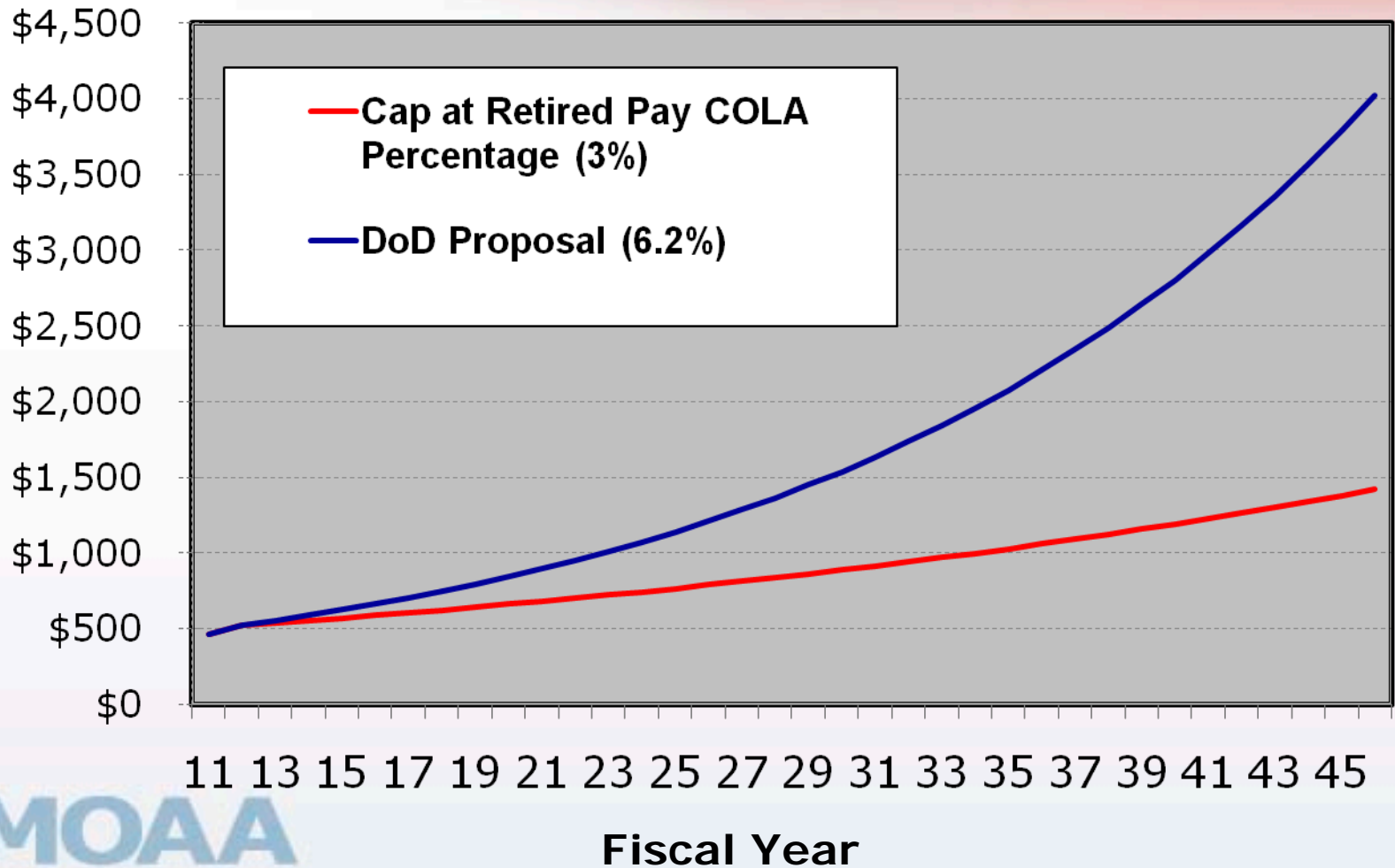
- TRICARE No Big Fee Increases ..... 
- SBP-DIC Offset ..... 
- Concurrent Receipt ..... 
- Guard-Reserve Retirement Reforms .. 

# DoD 2011 Budget: "We Listened"

<u>Issue</u>	<u>2008</u>	<u>2011</u>
Means-Test Fees	Yes	No
Max Prime Hike	+\$1,626	+\$60
Max Standard Hike	+\$1,000	None
Rx Retail Co-pay	\$15/25/45	\$5/\$12/\$25
Rx Mail Co-pay	\$0/15/45	\$0/\$9/\$25
Index Future Hikes	Yes (7.5%)	Yes (6.2%)



# DoD-Proposed Index vs. COLA Cap



# Our Primary Focus

- Defuse Biggest Threat:
  - “No Hikes in 16 Yrs”
- The Hill Believes:
  - Doing Nothing Not Good Option
  - Many Legislators Willing to Push Much Bigger Fees
  - Want To Be Able to Say “We Acted”
  - Opportunity Unlikely to Come Again

# MOAA Tricare Position

- Arbitrary Budget Drills Shouldn't Drive Decisions
- Need to Establish Principles In Law:
  - Primary Offset for Service Conditions
  - Military Pre-Pay Premiums Thru Yrs of Sacrifice
  - % Fee Increase Shouldn't Exceed COLA
- Most New DoD Proposals Are Reasonable
  - EXCEPT: Plan to Tie to 6.2% Cost Growth
  - Alternative: Cap annual growth at NMT COLA%

# Action Needed

- **Put Military Health Principles in Law**
- **Cap Future TRICARE Fee Growth**
- **Pursue Other Cost-Saving Ideas**

# Let's Talk Military Benefits

The Latest Info on Your Benefits

# *Health Care Reform*

# What's Changed?

## For TRICARE Beneficiaries

- Under Age 65?
  - Not much, if anything at all!
- Over Age 65?
  - Cuts in Medicare Advantage HMOs
  - Cuts in Rural Hospitals
  - Crack down on abuse of DME

# Qualifying Coverage?

- **Yes**
  - **TRICARE**
  - **Medicare**
  - **VA Health Care**
- All qualify under the new Health Care Legislation



# TRICARE/TFL

## The TRICARE Health Plan

Serves more than 9.6 million beneficiaries!

- **Standard – Fee for service**
  - Extra – Preferred Provider
- **Prime – Managed care (HMO)**
  - Prime Remote
- **TRS/TRR**
- **TYA**
- **TRICARE For Life (TFL)**
  - Eligible for Medicare Part A
  - Enrolled in Medicare Part B
  - Valid Military ID Card

# Tricare Youth Plan—Age 26

## Reform law passed in NDAA 2011

- Coverage retroactive to 1 Jan 2011
- Dependents must be unmarried, w/o health care
- New ID Card will be issued

## COSTS

- **TYA Standard** – May 1<sup>st</sup> retroactive to Jan 1<sup>st</sup>
  - **\$186 per month**
  - \$150 deductible & 25% Cost-shares
- **TYA Prime**
  - **\$213 per month** – ETA Oct 1<sup>st</sup>
  - Plus co-pay per visit outside the MTF

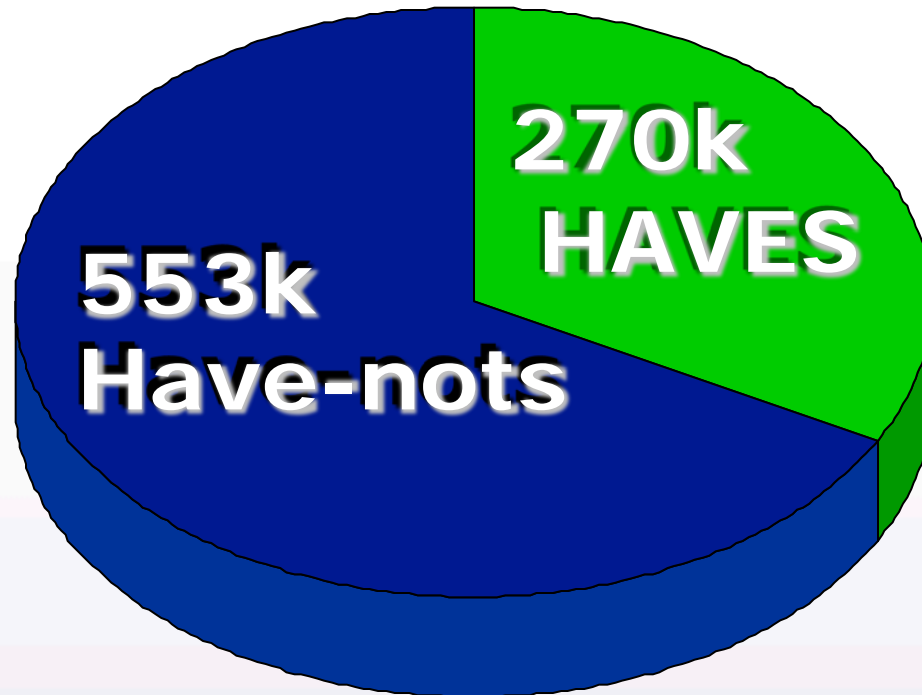
# Concurrent Receipt

Full Payment of  
Retired Pay and VA Compensation

# Congress Has Fixed For Some

	<u>Combat Related</u>	<u>Non-Combat Related</u>
20+ Yrs/100% and IUs	Yes	Yes
20+ Yrs/50+% Disability	Yes	Phasing In
20+ Yrs/0-40% Disability	Yes	No
Under 20 Yrs—Med Retire	Yes	No

# Concurrent Receipt Haves vs. Have-nots



# Survivor Benefit Program (SBP)

# SBP Still Not Fixed

- Social Security Offset was eliminated...
- The SBP-DIC Offset was not.
- Offset is dollar-for-dollar:

$$\begin{array}{r} \text{SBP \$} \\ - \text{DIC \$} \\ \hline \text{SBP "Benefit"} \end{array}$$

# Congress Admits Inequity

## Special Survivor Indemnity Allowance (SSIA)

### 2008/2009 First Legislative Steps:

- Special \$50/mo payment (2009)
- Add \$10/mo each yr for 5 yrs (2010-2014)
- Enhanced payments out to 2017
- Everything stops in 2018

### Aug 2009 – Three widows win court case

- The Sharp Case
- Remarriage after age 57, maintain full DIC-SBP

# Cost of Living Adjustment (COLA)

# Where's the COLA?

Year	Percent Increase
2007	3.3
2008	2.3
2009	5.8
2010	0
2011	0
2012	3.0 ??

# The Military Coalition

# The Military Coalition

<b>AAAA</b>	<b>AFA</b>	<b>AFSA</b>	<b>AFWOA</b>
<b>AMVETS</b>	<b>AMSUS</b>	<b>AUSA</b>	<b>AUSN</b>
<b>COA</b>	<b>CWOA</b>	<b>EANGUS</b>	<b>FRA</b>
<b>GSW</b>	<b>IAVA</b>	<b>JWV</b>	<b>MCL</b>
<b>MCRA</b>	<b>MCA</b>	<b>MOAA</b>	<b>MOPH</b>
<b>NAUS</b>	<b>NMFA</b>	<b>NCOA</b>	<b>NERA</b>
<b>NGAUS</b>	<b>REA</b>	<b>ROA</b>	<b>SMCAF</b>
<b>TREA</b>	<b>USCGPOA</b>	<b>USAWOA</b>	<b>VFW</b>
<b>VVA</b>			



# *How to Contact Your Congressional Representatives*

# Send a Letter...

- MOAA Made It Easy -
  - Go to:

[www.moaa.org/tearoutletters](http://www.moaa.org/tearoutletters)

- Print, Sign, & Mail the Letters
- Addresses Are on the Letters

**OR use email...**

Welcome, Colonel Ostrom | Friday, May 30, 2008

My Account Logout Join Contact Us Site Map

Quick Links

LEGISLATIVE ACTION MEMBER SERVICES & DISCOUNTS CHAPTERS/COMMUNITY MULTIMEDIA & PRESS ROOM PUBLICATIONS ABOUT US



One Association. One Voice. Yours.

- Active Duty
- Guard/Reserve
- Second Career
- Fully Retired
- Family/Survivors

The MOAA Scholarship Fund provides interest-free loans and grants to children of MOAA members and to children of currently serving or retired enlisted personnel (Regular, Reserve, or Guard) for up to 5 years of undergraduate education.

[MORE INFO](#)

### MOAA Spouse Symposium

Join us for the 2nd Annual Spouse Symposium on June 19, 2008, at the VA Beach Convention Center. We are proud to bring together subject matter experts in military spouse and family issues.



[Read More](#)

### MOAA Membership

- Your Membership Info
- My MOAA Page
- Membership Renewal

### MOAA OFFERS

**Planning a trip?**  
Get discounts on vacations, car rentals, hotels and more!

### Legislative Update

- MOAA Debuts Storming Video
- Call for Action on Supplemental and GI Bill
- Medicare/TRICARE Payments Debate

### Today from MOAA

**Watch MOAA's TV Commercial**  
MOAA has a new television commercial airing on the Military Channel—watch it here first!

**MOAA Storms the Hill: Video**  
MOAA successfully "stormed the Hill" and talked to legislators about military servicemembers priorities for 2008. Watch the video recap now.

[More News](#)

### Today in the Military

- Retired general picked as IG for Afghan rebuilding
- Marine says he was ordered to delete Iraq photos
- Firefighters battle wildfire at Calif. Marine base

[More Military News](#)

### Video News

- More Charges for Pro Wrestler's Doctor**  
[Play](#)
- Stage Set for Michigan, Florida Delegate Fight**  
[Play](#)
- Fatal Crane Collapse in NYC**  
[Play](#)

[More Video news](#)

**MOAA Career Fair**  
Walter E. Washington Convention Center  
Washington, DC  
September 16, 2008  
10 am to 3 pm

**Full service and worldwide access with PenFed's checking accounts.**

**10 GIVE ME Recruiting Leaders**  
These are the top recruiting chapters for 2008:

- Southside, VA - 221
- El Paso, TX - 100

# WWW.MOAA.ORG

Welcome to MOAA Web Base! - Microsoft Internet Explorer provided by Military Officers Association

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites

Address http://www.moaa.org/

Welcome, Colonel Ostrom | Friday, May 30, 2008

My Account Logout Join Contact Us Site Map

Quick Links

## LEGISLATIVE ACTION

### ISSUES AND UPDATES

Weekly Legislative Update  
Major Issues  
Action Alerts

### RESOURCES

MOAA's 2008 Primary Guide  
FY 2009 Defense Authorization Bill Provisions  
Legislative Tips for MOAA Leaders  
Other Resource Documents for Active Duty and Guard/Reserve Legislative Issues  
Other Resource Documents for Health Care Issues  
Other Resource Documents for Retiree Issues  
Other Resource Documents for Survivor/Spouse/Family Issues  
Other Resource Documents for Veterans Issues

### FACT SHEETS

Active Duty and Guard/Reserve Fact Sheets  
Health Care Fact Sheets  
Other Issues Fact Sheets  
Retiree Fact Sheets  
Military Spouse, Family and Survivor Fact Sheets

### MOAA GOALS AND PROGRESS

Selected Legislative Goals for 2008  
Our Progress  
MOAA/TMC Testimony  
Letters and Correspondence in Support of MOAA Issues  
MOAA Resolutions 2006  
Call for Resolutions

### CONTACT CONGRESS

#### KEY BILLS

## One Voice. Yours.

Active Duty ▶  
Guard/Reserve ▶  
Second Career ▶  
Fully Retired ▶  
Family/Survivors ▶

### House m

nd Annual  
ium on June 19,  
Beach  
er. We are proud  
subject matter  
y spouse and family issues.



[Read More](#)

### The Military

general picked as IG for Afghan  
g  
ays he was ordered to delete Iraq

Firefighters battle wildfire at Calif. Marine base

[More Military News](#)

### Video News



Fatal Crane Collapse in NYC

[Play](#)



AP Top Stories

[Play](#)



NY Mayor: Collapsed Crane Properly Inspected

[Play](#)

[More Video news](#)

## Today from MOAA

### Watch MOAA's TV Commercial

MOAA has a new television commercial airing on the Military Channel—watch it here first!

### MOAA Storms the Hill: Video

MOAA successfully "stormed the Hill" and talked to legislators about military servicemembers priorities for 2008. Watch the video recap now.

[More News](#)

## MOAA Poll

How far do you plan to travel this summer?

- Within your state  
 Within the country  
 Outside the country

## MOAA Membership

Your Membership Info  
My MOAA Page  
Membership Renewal

## MOAA OFFERS

Great MOAA deals on DELL computers.



## MOAA Career Fair

Walter E. Washington Convention Center  
Washington, DC  
September 16, 2008  
10 am to 3 pm

Full service and worldwide access with PenFed's checking accounts.

## 10 GIVE ME Recruiting Leaders

These are the top recruiting chapters for 2008:

- Southside, VA - 221
- El Paso, TX - 100

http://www.moaa.org/lac/index.htm

# **The Effects of Remarriage**

*on*

**Benefits & Programs**

*for*

**Surviving Spouses**

# Military Benefits

## Upon Death of Military Member

- **Surviving Spouse remains eligible for all benefits**  
*(medical care, commissary, exchange, theater, etc.)*
- **Except space-available travel**

# Military Benefits

- **Effect of Remarriage**  
(non-service member)

Upon remarriage  
**lose All**  
military benefits

# Military Benefits

- Remarriage Terminates

all benefits

except medical

will be reinstated

*(if subsequent marriage  
ends in death or divorce)*

# Military Survivor Benefit Plan (SBP)

- **Upon Death of Military Member**
- **If elected SBP**

**SBP Payments Begin**

# SBP

- **Effect of Remarriage Before**

**Age 55**

**SBP Payments Suspended**

- **Remarriage Terminates**

**SBP Payments Reinstated**

# SBP

- **Effect of Remarriage On or After  
Age 55  
No Effect on SBP**

# Dependency & Indemnity Compensation (DIC)

## DIC is awarded to a surviving spouse of a disabled veteran:

- If the death is attributed to an injury or disease incurred on active duty
- *Or -*
  - If the retiree had 100% VA disability rating
    - 10+ years
    - 5 continuous years from release of active duty
- *Or -*
  - Former POW rated 100% one year prior to death

# DIC & SBP

- **SBP is reduced**
  - One \$ for each \$ received in DIC
- **SBP premiums reimbursed - *if***
  - ***DIC is applied for within 1 year of service member's death***

# SBP & DIC

- **Effect of Remarriage Before**

**Age 55**

**SBP & DIC Suspended**

# DIC

- **Effect of Remarriage Before  
Age 57  
DIC Suspended**
- **Remarriage Terminates  
DIC Reinstated**

# SBP & DIC

- **Effect of Remarriage On or After**

***Age 55 but before Age 57***

**DIC Suspended**

**&**

***SBP Increased \****

# SBP & DIC

- **Effect of Remarriage On or After**

**Age 57**

***You get to keep both!***

**SBP & DIC**

# Social Security

- **Upon Death of Military Member**
  - Can receive Social Security Survivor Benefits
  - Reduced rate

**Age 60**

# Social Security

- **Effect of Remarriage Before**

**Age 60**

**Not Eligible *on Military Members Record***

- **Remarriage Terminates**

**Eligibility Restored**

# Social Security

- Effect of Remarriage After  
Age 60

**No Effect *on*  
Social Security Entitlements**

# CHAMPVA

- **Family Members of Veterans**
  - **Permanent & Total disability**  
*(service-connected)*
  - **Service connected death**
  - **Die while having 100% disability**

# CHAMPVA

- **Effect of Remarriage**

**Lose CHAMPVA**

- **Remarriage Terminates**

**CHAMPVA Restored**

# Permanent ID Cards

- **FY 2005 Defense Authorization Act**
  - Spouses & Survivors 75 & Older
  - Began Sep 05
  
- **FY 2007**
  - Disabled dependents
  - Began Jan 07

# *Questions?*



# **Military Officers Association of America**

**Benefits Information Department &  
Financial Education Department  
201 N. Washington Street  
Alexandria, VA 22314-2539**

**1 800 234-6622**

**Email: [BenInfo@moaa.org](mailto:BenInfo@moaa.org)**

**Web: [www.moaa.org](http://www.moaa.org)**

