ARMY BENEFITS CENTER - CIVILIAN (ABC-C)

At Fort Riley, Kansas

ABC-C News

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To reach the ABC-C: https://www.abc.army.mil or 1-877-276-9287 (TDD: 1-877-276-9833)

301 Marshall Avenue, Fort Riley, KS 66442-5004

Peggy Sholtz, Director, Army Benefits Center-Civilian

Change to ABC-C Telephone Menu

You spoke and ABC-C listened!

Our telephone menu has changed to decrease the number of prompts you will hear before you reach a benefits counselor. Now, you will only hear four menu options – one for each agency supported by ABC-C. After pressing the appropriate option for your agency, you will be transferred to the next available counselor. You are no longer required to enter your Social Security Number and Personal Identification Number (PIN). However, the ABC-C counselor will need to verify your personal information before providing assistance.

New Benefits Tool Available

The ABC-C is pleased to announce the launching of a new benefit tool – eSeminar. The eSeminar module provides an additional avenue for you to become educated on your benefits. The courses provide a narrative presentation with eight separate benefit topics ranging from new employee benefits, TSP, Social Security, financial planning, and Flexible Spending Accounts. The courses contain benefits-related information for early, mid-career and end of career retirement planning. The eSeminar module is available in EBIS, at https://www.ebis.army.mil.

Roth Thrift Savings Plan (TSP)

The Thrift Savings Plan Enhancement Act of 2009 authorized the Roth TSP. This act allows Federal civilian employees and members of the uniformed services to contribute after-tax dollars into TSP for the first time.

The Roth feature in the TSP will combine all the benefits of TSP retirement savings with the after-tax benefits of a Roth savings plan. You will not get the benefits of tax-deferred savings on your Roth contributions as you do with your traditional TSP contributions, but your Roth savings will grow tax-free. You can withdraw your Roth contributions and associated earnings without penalty after retiring, as long as you are at least age 59 ½ and have been making Roth contributions for a minimum of 5 years.

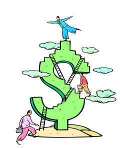
There are some limitations associated with the Roth option. You cannot transfer money into the Roth TSP from Roth IRAs. In addition, you cannot convert money that is already in your Traditional TSP account into your Roth account. The Agency automatic 1% and matching contributions will be deposited into the traditional TSP, even if your contributions are Roth only.

The limits on Roth contributions are the same as the IRS elective deferral limits. If you contribute to the Roth TSP, the Roth 401(k), or other traditional tax-deferred plans, your combined contributions must not exceed the IRS elective deferral limit. The limits for 2012 are $17,000 for regular contributions and $5,500 for Catch-up contributions.

The decision on whether or not to participate in the Roth TSP comes down to whether you would be better off paying taxes now (Roth TSP) or when you retire (traditional TSP). Your personal situation will determine whether it is better to have the tax savings **now** of traditional TSP or the tax-free earnings **later** of the Roth TSP. You must consider where you think your future income level could be, as well as the difference between your present tax rate and what your tax rate might be at retirement, when you make your decision.

Additional information about Roth TSP can be found on the TSP website at http://www.tsp.gov.

The DFAS Corner



When did you last verify your address in myPay? This mailing address is also provided to the Thrift Savings Plan (TSP). If that address is no longer correct, you will not receive the mailings from TSP.

To update your mailing address, log in to your myPay account at https://mypay.dfas.mil/mypay.aspx. Once in myPay, click on “Correspondence Address” under the “Pay Changes” section. If the address showing as “Current” is not correct, enter the correct address in the blocks under “New” and click on the “SAVE” button when finished.

Did You Know?

You don't have to wait until the next open season to enroll in the Federal Long Term Care Insurance Program (FLTCIP).

Because premiums are based on your age at the time of application, this is a good time to learn more. With the FLTCIP's educational website and knowledgeable program consultants, you can easily find the information you need to get started at http://www.ltcfeds.com. The Online Consultant Tool uses video and interactive features to help you learn about long term care and design an FLTCIP plan that suits your needs. Once you are ready to take the next step, you can apply online or download an application. For personalized assistance, call 1-800-582-3557 to speak with a program consultant.

FEHB and ACA

Do you have children under the age of 26? Are they currently covered by your Self and Family FEHB enrollment? If the answer to both questions is "YES" then you may not be able to drop your children from your FEHB, even during the Benefits Open Season.

One of the provisions of the Affordable Care Act (ACA) requires you to continue to cover your children under age 26, even if they are married or are Federal employees. There are two exceptions:

1. Your children have their own family (spouse and/or children) and they choose to cover them under their own family health insurance coverage;
2. They live outside the coverage area of your health maintenance organization (HMO).

Additional information is available from the Office of Personnel Management's website at http://www.opm.gov, or you may call the ABC-C to speak to a counselor.

Financial Focus

Wi$eUp is a financial education program for Generation X and Y women. It was developed by the U.S. Department of Labor Women's Bureau, in support of their "Strengthening the Family" initiative. The Wi$eUp curriculum was developed by the Texas AgriLife Extension Service, under contract with the Women's Bureau of the Department of Labor. Wi$eUp promotes financial security through online education. The online course is free and has 8 components that offer help with straightening your files and records, analyzing your spending and setting financial goals, building a realistic budget, credit and credit reports, creating an emergency account, and developing a comprehensive financial plan. More information is available on their website, http://wiseupwomen.tamu.edu.

From the Editor:

Every January 1st I make the usual resolutions – get more exercise, eat healthy, lose weight – and by January 2nd I have usually broken those resolutions. This year my husband & I resolved to live off our "retirement" income and we have been able to keep this resolution since the beginning of 2012.

From my experiences at ABC-C, I know that being able to live on retirement income is a primary concern of soon-to-be retirees. Since I am slightly more than a year from retiring, I wanted to see if I could actually do it.

After getting my retirement estimate information from the advanced calculators in EBIS, I added the estimated monthly annuity to my husband's retirement income. From this total, I subtracted the normal monthly expenses (house payment, utilities, groceries, etc.). I also adjusted the monthly expenses for items that are directly related to work, like transportation costs, dry cleaning and eating out for lunch. To make it feel more realistic, I transferred the "excess" to our savings account.

We did fine for 3 weeks, until I had to have some medical tests done. I had forgotten that with a new year, I would have to pay the ENTIRE deductible before my health insurance kicked in.

There are several benefits to my experiment: I can retire with confidence, knowing that we can live on our retirement income; putting the "excess" in savings increased our emergency fund and allowed us to pay off some debt ahead of schedule.

Follow these steps to try living on your estimated retirement income:

Step 1. Determine your retirement income.
Step 2. Determine your monthly expenses.
Step 3. Factor in expenses that will go away when you retire.
Step 4. Don't forget about seasonal expenses (insurance deductibles, vehicle taxes/tags, gifts, holidays, etc).

Being able to successfully complete your own experiment may decrease your fears about retirement.

"When a man retires, his wife gets twice the husband but only half the income." ~Chi Chi Rodriguez

Send comments or suggestions to:

usarmy.riley.chra.mbx.abc-newsltr-inquiry@mail.mil