



North Carolina Retired Governmental Employees' Association

NEWSLETTER

Vol. 1, No. 1

March, 1984

Retired Governmental Employees

Group Sets 1984 Priorities

The North Carolina Retired Governmental Employees' Association (NCRGEA) gives priority to the following items for the 1984 legislative session of the North Carolina General Assembly:

Cost-of-Living Increase. Our association advocates giving governmental retirees the same cost-of-living increase as that given to active employees. Trustees of the retirement system have recommended a 3.8 percent increase, resulting from investments, for both state and local governmental retirees.

In addition, any cost-of-living increase given to active employees should be available to retirees as per G.S. 135-5(O) and G.S. 128-27(K).

Raise the Retirement Formula. This association supports Senate Bill #23 ratified July 15, 1983 which states: "Sec. 224. It is the intent of the First

Session of the 1983 General Assembly to give consideration during the 1984 Second Session for increasing the retirement formulas for educators, state employees and law enforcement officers to 1.6 percent of average final compensation per year of creditable service with comparable increases for retired personnel." (Present formula is 1.57 percent.)

Hospital and Medical Care. The association will work to continue full funding of the State Comprehensive Health Benefit Plan for retired state personnel.

Local Governmental Retirees. Our association gives high priority to providing equal benefits for local governmental retirees including hospital and medical care. □



Tax Changes Help Some People

Moves to strengthen the Social Security System include requiring more Americans — including all new federal employees, members of Congress, administration officials, most federal judges and most employees of nonprofit organizations — to contribute to the system beginning January 1, 1984.

Although income tax rates will continue to fall, some social security taxes will increase. For the first time, well-to-do pensioners will have to pay taxes on part of their benefits, a change that will affect only about 10 percent of the system's 36 million recipients, according to a Social Security administration official in a UPI report printed in **The News and Observer**.

Other tax changes effective this year will

- increase the income tax credit for taxpayers over 65 and change the tax credit formula for the permanently disabled. This will help low-income disabled people more than the previous credit, but this increase will hurt those with higher incomes;
- increase the amount of the charitable contribution deduction that may be claimed by taxpayers who do not itemize on their tax returns. The new \$75 maximum deduction is up from \$25 in 1983. □

Credit Union Starts Special Program

Your local State Employees' Credit Union recently started a program called **The Golden Circle**.

The package offers several services to its retired members age 50 or above.

- Logo membership card;
- Direct deposit of social security and all related monthly benefit checks;
- Personal, up-to-date information

and counseling concerning money matters, types of investment, social security, Medicare, consumer products, and more;

- Special checking;
- Free traveler's checks, money orders, notary service and wire transfers of funds; plus
- Periodic newsletter about the credit union.

Contact your local credit union office for details. □

A Message from the President

Greetings to our entire membership of over 11,000! We welcome your membership and hope you will work with us to make a better retirement for you.

In launching this first newsletter, we can better provide information that concerns you such as cost-of-living increases, social security taxes, Medicare and, naturally, your friends and fellow members. We invite your suggestions and participation, all of which work together to develop a closer relationship among us — the members and staff — as well as with

other organizations having similar objectives.

Since the North Carolina Retired Governmental Employees' Association (NCRGEA) began in 1970, it has expanded in both membership and goals. Its central purpose is to promote the concerns and best interests of state and local retirees. But NCRGEA has also played a major part in generating many cost-of-living increases, revising the retirement formula, adjusting compensation and improving hospital and medical care for state retirees. Equally as important, NCRGEA has successfully been involved in legislation

to include surviving spouses in the hospital and medical program.

The above objectives will continue to be the cornerstone of our efforts on behalf of all retirees.

Your membership is the lifeblood of this organization. We urge your continued support to increase membership and to offer ideas that can improve your organization. We ask that you let your friends know what NCRGEA is doing and see if they would like to join in meeting the challenges ahead. □

"To ensure accurate processing, claims should be filled with Medicare first. After Medicare has paid, a copy of that payment voucher should be submitted with the claim to EDS...Otherwise, EDS will estimate payment, paying only 20% of the allowed amount minus deductible and coinsurance."



Statewide Campaign Brings in Members

Early last year each of the 100 counties in North Carolina became involved in a membership campaign for NCRGEA. To get started, contacts were made to nonmembers who had retired from governmental service in the past three years. Then, a contact from each county was chosen to act as coordinator in each area. They obtained team members to call each retiree in their county before the NCRGEA sent a brochure and enrollment card.

Over 1,000 new members joined as a result.

NCRGEA appreciates such support and hopes these people will continue as our contacts in the future.

Any retiree wishing to assist with membership enrollment should notify the Raleigh office. A collect phone call (919) 834-4652 will be a good way to start! □

Retirees over Age 65

As you are aware, Medicare is your primary insurance company and they will pay the greater share of your health care costs. Also, each person is required to meet a \$100 deductible under the State Plan before any reimbursement is made. Once the deductible is met, the State Plan will pick up 95 percent of the allowable charges after Medicare pays.

The insured is responsible for the remaining 5 percent (or coinsurance) plus any charges for noncovered services and charges above the allowable amount approved for payment. □



Retirement Investments

Each year the dollar amount received from investments is greater than the dollar amount that both employees and the state contribute to the retirement fund.

Over \$1 million dollars are added each day to the fund from the investment schedule. □

Medicare Update:

Effective January 1, 1984, Medicare deductibles will change as follows:

1. For the first 60 days of inpatient hospital services in a benefit period, the deductible is \$356 (up from \$304).
2. For the 61st to 90th day of inpatient hospital services in a benefit period, the deductible is \$89 per day (up from \$76 per day).
3. For inpatient hospital services for each "lifetime reserve" day used, the amount you are responsible for paying is \$178 per day (up from \$152 per day).
4. For the 21st to 100th day in a benefit period for inpatient services in a skilled nursing facility, the deductible is \$44.50 per day. □

The North Carolina Retired Governmental Employees' Association has not endorsed any private supplemental hospitalization programs.

NCRGEA Brings You Up-To-Date

New faces:

L. P. Zachary joins board

NCRGEA has appointed L. P. Zachary, city manager of Raleigh for 15 years, to the NCRGEA Board of Directors. Zachary will fill the unexpired term until July 1, 1985, of the late William C. Carper.

Zachary's record reflects his exceptional public service in city government. As he joins NCRGEA, his experience and personality will contribute to meeting our goals, especially in seeking equal benefits for county and city retirees.

Annual board meeting

Tentatively, the annual Board of Directors' meeting will be held either in late May or during June. We will gear a date near the next legislative short session June 7 so we can provide information about their actions.

Local employees

A Joint Study Committee is vigorously pursuing both more equal treatment for local retirees and better provisions for uniform benefits. This committee is made up of representatives from the NCRGEA, the Association of County Commissioners and the League of Municipalities.

Membership

Our membership now boasts more than 11,000 members and is still growing, thanks to the hard work Executive Director John C. Rice and his staff put in during the membership drive. New members include state and local employees who have recently retired plus those who have been retired for some years.

New office quarters

NCRGEA has moved its office from 715 to 703 W. Johnson Street. The extra 400 squarefeet (up from an 800 square-foot room) gives us greater space in which to operate. □

Roots from the Past—NCRGEA

As a young and vigorous nonprofit organization, the North Carolina Retired Governmental Employees' Association (NCRGEA) has grown from a handful of members to a group exceeding 11,000. This group serves all 60,000 governmental retirees including those outside the membership.

Founders were Craig Barnhardt, Dr. Charles F. Carroll, C. P. Deyton, Dr. Carey Bostian, Roy Armstrong, Mrs. Nellie P. Strother, Withers Davis, George B. Cherry, Henry Kendall, Egbert Peeler, Ernest McCracken, Joe Beach and T. A. Wilson, the latter four being the original leaders.

Shortly after this group's birth in 1970, the leaders focused their energies on keeping up with inflationary costs, especially medical costs. They were also concerned with gaining social security benefits for state employees who, under a 1950s law, became eligible for benefits but who retired prior to passage of that law. These people were employed when times were especially difficult with low state and city salaries and no social security system.

These interests grew into bigger goals, but the central challenge remained: retirees should share the increased compensation comparable to that of active employees.

NCRGEA began to promote the interests and benefits of retired state and local governmental employees. From its founding, NCRGEA has worked for laws which produced benefits, adjustments and cost-of-living increases for those receiving service retirement and disability payments. NCRGEA sponsored the bill enabling retired teachers and state employees to continue in the state's hospitalization plan after retirement.

In 1978, NCRGEA helped secure laws that included surviving spouses of state retirees in the health care program. To accomplish these benefits, much attention and skill have been devoted to contacts with the General Assembly and state leaders through grassroot's support from the membership.

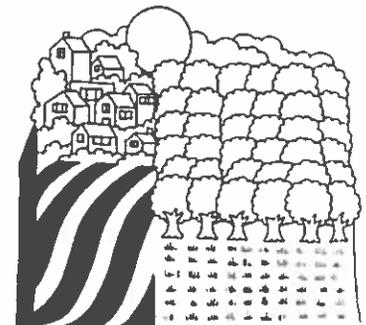
The late Ernest McCracken generously provided the dynamic leadership to create NCRGEA's broad benefit program and to gain the General Assembly's approval.

Roy Armstrong, during his seven years as NCRGEA's president in 1975, developed rapport with legislators and succeeded in getting many cost-of-living raises. Armstrong was also director of the Morehead Foundation which presents numerous scholarships annually to students at the University of North Carolina.

Other presidents include the current president Ben Eaton, Craig L. Barnhardt, Egbert Peeler and T. A. Wilson. NCRGEA operates with a president, first and second vice-president, secretary and treasurer. The staff is composed of John C. Rice, executive director, two secretaries and volunteer workers.

Our future plans are to continue a vigorous promotion of just benefits for retirees, to safeguard gains, to be alert to the concerns of retirees and to maintain cordial relations with all individuals and organizations who may give effective support to our goals.

The NCRGEA has conservatively spent and carefully preserved its funds. All personnel who handle NCRGEA funds are fully bonded. □



A Faster Claim? Here's How

The EDS Federal Corporation, the administrator of the Comprehensive Health Benefit Plan, provided this Medicare update to explain how the State Health Plan processes health claims for those individuals who are eligible for Medicare. They also have outlined what the plan member can do to ensure faster and more accurate claims processing.

If you are a retired state employee or enrolled family member and eligible for Medicare, Medicare is your primary insurance carrier. The State Plan (EDS) is your secondary carrier and will supplement Medicare's payment. These supplements are based on the State Plan's allowable charges and are subject to the deductible and coinsurance requirement.

What's important is that Medicare is the primary carrier for all **Medicare-eligible** retirees and enrolled family members. The Medicare parts A and B payable amount will be deducted from the State Plan (EDS) payment whether or not the individual has enrolled in Medicare. Therefore, it would be to the individual's benefit to enroll in the Medicare parts A and B, if eligible.

If you are 65, retired and not eligible for Medicare, you should obtain a letter from your local social security office

advising that you are not eligible. Please send a copy of this letter to the plan administrator (EDS) as soon as you reach age 65.

Claim Filing Procedure

Since Medicare is your primary carrier, your claims should be filed with Medicare first. The explanation of Medicare benefits (EOMB) or payment voucher should then be attached to the claim and submitted to EDS for processing. When a claim is processed this way, the State Plan will process the claim based on Medicare's actual payment.

On the other hand, if a claim is submitted to EDS with no Medicare voucher attached, the State Plan will estimate its payment at 20 percent of the allowable charges. This estimated payment will be subject to deductible and coinsurance. This is only an estimated payment and can be adjusted if necessary.

How To Request an Adjustment

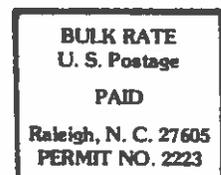
If Medicare does not pay the full 80

percent of the billed amount and the State Plan estimated payment at 20 percent of the allowable charge, you may request an adjustment of the State Plan's payment by returning a copy of the State Plan explanation of benefits (EOB) along with the corresponding Medicare voucher. Please write a brief note on the State Plan EOB giving the reason you want the claim reviewed, such as, "Medicare's payment estimated incorrectly. See attached EOMB." The State Plan will adjust its payment based on what Medicare paid.

You will receive written notification and/or additional payment upon completion of the adjustment. Please allow 60 days for adjustment processing. **Send the request for review to State Health Benefit Plan, EDS Corporation, P. O. Box 30050, Raleigh, NC 27622, Attention: Adjustments Department.**

Direct any questions about these procedures to the Customer Services Department in Raleigh, Monday through Friday, 8:00 a.m. to 8:00 p.m. **Out-of-state customers, dial (919) 851-9300; in-state customers, dial toll free (800) 662-6661.** □

North Carolina Governmental Employees' Association, Inc.
703 W. Johnson Street
P. O. Box 10561
Raleigh, North Carolina 27605



Address Correction Requested