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National Association of Retired & Veteran Railway Employees, Inc.

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NARVRE NEWSLETTER

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FROM THE NATIONAL PRESIDENT —

Some readers may think this is political but facts are facts. Three of your national officers were working in Washington, D.C. in 2001 when debate was going on over legislation that was supported by railroad management (AAR), railroad labor (railroad unions) the Railroad Retirement Board and the Actuaries. This piece of legislation was called The Railroad Retirement and Survivors' Improvement Act of 2001.

Many of you who have retired since January 2002 were able to do so with 30 years of service at 60 years of age under this law. Previous law this was not the case as you had to be 62 with 30 years of service or you would be reduced by 20 percent at age 60 or 10 percent at age 61 in Tier 1 reductions. Another, was allocation of tax rate changes whereas any increase in payroll tax above the normal rates would be borne entirely by employers. Any reductions in the

continued on page 3 ▶▶▶



From the National Legislative Director —

Congress has adjourned for a seven-week recess, the political conventions have ended, and the three-month run-up to the General Election is under way. Come November 8th, we will vote for the 45th President of the United States. When we get a winner, this office will tally up the winners and the losers, and we will count to see how many seats have changed in the House & Senate. Every political organization and their members are affected by the outcomes of a federal election and that includes our NARVRE association. We are an association of railroad retirees with a vested interest in the legislative governance of the U.S. Congress. We all know our mission and cause is to protect and preserve Railroad Retirement. In the forthcoming election, we must therefore look beyond the Presidential race, and also concern ourselves with those on the down ballots, running for the House & Senate. Those winners can help protect our interests, or work to neglect us. It is our reality that we must stay focused on what could bring possible harm our way from the powerful legislative arm of the U.S. Congress. We are specifically

aware of numerous occasions whereby a seated Congress did not protect the retirements of other American workers. Since the 1980's, inept leaderships chose to turn a blind eye to the fiscal threats bearing down on some of the largest pension funds in this country. Occasional news reports would make comment on the obvious problems within those pension plans, but serious reaction from Congress was absent, possibly due to the umbrella of the Pension Benefit Guaranty Corporation (PBGC) which was built into existing law to protect the pensions of millions of workers. While our railroad retirement system is different from these pension plans, we are subject to the same Congress, and the same oversight by those elected to that Congress. Last month, we talked about the need and importance for all of us to inform our own Congressional office on a few facts about railroad retirement. Hopefully, the membership will become more active as constituents to those that represent us on Capitol Hill. This November, we must all work to elect the better candidates that will protect our retirement benefits if, or when, a colleague threatens to tinker with the struc-

ture and financial well-being of the Railroad Retirement System. I suggest the protection lies in the outcomes of our elections. After the elections, we will be wondering about a whole host of questions. Will this new Congress work with-or against-the elected President of the United States? How has the balance of power in Congress shifted? Who will hold the purse strings of the federal budget? Who will run the key policy-making committees, and what policies may or may not make it through a committee vote to the floor of the House or Senate? What will the new legislative agenda look like, and who will set it? In other words, who has won the majority in both chambers? Presently, the Republican Party has control of the House and the Senate...and you should know the leadership in both has ignored the needs of seniors, rail passenger train systems, and Amtrak employees that pay into our railroad retirement. The best person to know a candidate is a registered voter that takes the time to read, look, and listen to those wanting to represent their district in Congress. Ask a few questions as to what they know about the freight rail industry which has commanded the expansion of our nation's commerce, and

continued on page 3 ▶▶▶



N.A.R.V.R.E. National Association of Retired and Veteran Railway Employees, Inc.

From the National Vice President —



This year NARVE joined many senior organizations in celebrating two of the most cherished benefits that help seniors live with economic-dignity during their senior years. Last month on August 14, 2016, millions of Americans celebrated the 81st Birthday of Social Security as the current Senate and House Majority politicians continue to work to erode it. Medicare's 51st Birthday was July 30, 2016. There is a good reason to

celebrate the birthdays of both programs which give beneficiaries a reason to enjoy their earned benefits. Every day about 10,000 Americans become eligible for Medicare and Social Security. For those seeking public office, these statistics would seem to stand more sensitive to taking care of the most vulnerable of citizens. On the eve of the Republican Convention the Republican Platform for Presidential Candidate Donald Trump and VP Candidate Mike Pence, a proponent of Social Security Privatization, which is Tier I of Railroad Retirement, are sending a message for "reforms" code to weaken all these social programs that allow seniors to receive these earned benefits and live in dignity. Opponents refer to these social programs as welfare programs and "entitlements." In fact, these are earned benefits that workers and their employers paid during their lifetime of working. The same applies to Medicare. Americans have paid into Medicare throughout their lives and they then have a right to receive it once they turn 65. **While the senior vote would be most wanted in the November 8, 2016 General Elections, quite the opposite is shown by the views of the GOP and their wealthiest contributors. Instead, seniors are targeted for benefit cuts as it is done in just about every Congressional Budget since 2012 as a norm.**

A small Social Security COLA is projected for fiscal year 2017, but also big increases in some Medicare premiums are expected. The U.S. House and Senate Majority continue to propose reforms to make fixes when in fact; Social Security has a surplus of \$2.8 trillion held in Treasury bonds that are solvent to 2034 and can be easily fixed by removing the payroll Tax Cap of \$118,500 year. The Alliance for Retired Americans is pushing to "Scarp the Cap." If not this means the wealthiest of citizens do not pay their fair share of Social Security Tax to augment the fund and make it solvent for years to come. **Max Richtman, the CEO of the National Committee to Preserve Social Security and Medicare (NCPSSM),** reports that as a Congressman (currently Governor of Indiana), Mike Pence consistently voted in favor of legislative efforts to cut benefits in Social Security, Medicare and Medicaid. He has a long history of blaming earned benefit programs for America's economic woes and supporting middle-class benefit cuts to protect tax cuts for the wealthy. Few members of Congress have anti-seniors voting record which is as consistently strong as Mike Pence now has.

GOP V. P. Nominee Mike Pence was one of the few Republicans who voted against our 30/60 Railroad Retirement Legislation that allowed for Railroaders to retire at 60 years with 30 years of service and created our RRB Trust Fund. But more than that Mike Pence was one of Congress' biggest proponents of privatization of Social Security and increasing the retirement age, reducing the COLA, means-testing and turning our Railroad Medicare into a "Coupon Care System" and increasing the age to 67 to qualify. Presidential hopeful Donald Trump has said he supports Social Security and Medicare benefits, but in recent closed meetings with the GOP Leadership when he was questioned, he said he can reverse after the election. In other interviews he focused on having an economy that is robust and growing without mentioning the

issue of Social Security, Medicare, Medicaid or Healthcare.

While Speaker of the House **Paul Ryan's "Better Way"** for Health Care would be Dangerous for SENIORS and Inferior to the Current Medicare System, Seniors Would Have to wait Until 67 for coverage as **Mike Pence** had previously proposed.

The following statement was issued by **Richard Fiesta, Executive Director of the Alliance for Retired Americans**, in response to House Speaker Paul Ryan's release of "**A Better Way**" health care plan. Fiesta says, "The proposal is far more inferior to the current system and dangerous for Americans." Ryan also wants to double down on one of the weakest parts of the current Medicare system. He would have Medicare adopt the so-called 'competitive structure proven successful by Medicare Part D.' **Of course Part D has done nothing to rein in skyrocketing prescription drug prices for taxpayers or retirees and includes unnecessary giveaways for private insurance companies.** If the Ryan's plan were to be adopted, seniors would pay through their nose for both their physical health and their financial health as he proposed in his FY2017 Budget.

Please go vote on November 8, 2016 for your children and family to have the privilege to retire. **We do not want to be the last generation of SENIORS to retire.**

On another note, The Alliance for Retired Americans and other senior groups petitioned the AARP to drop out of The American Legislative Exchange Council (ALEC). After receiving a torrent amount of messages from their members and seniors, they terminated their affiliation with ALEC. ALEC is a group of millionaires who at the request of the billionaire brothers Charles and David Koch control one of the world's largest fortunes, which they are using to **buy up our political system.** They made their billions by financing candidates for public office to introduce legislation to undermine senior benefits such as medical and prescription drugs legislation at all levels of government, from the city councils to the state and national legislative bodies.

I encourage all Area Directors to continue to push to expand our membership and to form new Units to continue our mission to promote, protect and preserve our Railroad Retirement System especially in this volatile election year.

From Last Month Newsletter, we want to apologize for not printing out the photo of the vignette of Area 5 Director meeting and renewal of Unit 51 of Laredo with the new officers. Here shown: *"I had a total of 30 people attending the meeting. Pictures from Left to right are Sergio Perez S-T Unit 061 San Antonio, Texas, Gus Meza V-P, Delegate, Gracie Meza, L-R, GG Gonzalez Area 5 Director, Cesar Trevino Pres., and Mike Barerra Sec-Treasurer. As Director I want to thank all the officers of Unit 051 for growing their Unit to 28 paying members. I know it will continue to grow with the help of all officers,"* said Area 5 Director G. G. Gonzales. We thank the Texas RRB Representative Doris Calvillo for attended the Unit 51 meeting on July 28, 2016.

— **Anthony (Tony) Padilla NARVRE National Vice President**



(National Legislative Director from page 1)

introduce yourself as a rail worker, now retired. An exchange such as that might allow you to feel out the candidate on issues important to you and your family. Many candidates are new, and open to your expectation and request that they protect your family by becoming familiar with railroad retirement.

It's unfortunate, but NARVRE and rail labor, as well as the freight rail industry have fought against harmful legislative actions of the Republican Party for years. That statement is not the proverbial "elephant in the room". No, it's a well-known and ongoing problem and an open fact that we will continue to deal with for the years to come. We can, and will attempt to appeal to the better side of those party members, but we will also work actively to elect candidates that do not promise to destroy Amtrak. We must learn from their past practices, and the Republican party's own words in their 2012 and 2016 Convention Platforms. It's in print, and open for view, as their position and vision to eventually destroy the nation's rail passenger train service (AMTRAK), no matter that it is the law of the land. We should ask our candidates where they stand on the option of rail passenger train service versus the crowded multi-lane highways that pollute the air, as well as the jammed up routines of flying the skies. Public polling continues to indicate the vast majority of Americans want and support higher funding for Amtrak and expanded passenger train service. The candidates need to understand that highways, airlines, and passenger rail all receive federal revenues, with Amtrak receiving a fraction of those combined subsidies. We need to elect candidates that are not tied to the highway industry. The 2016 GOP platform continues to threaten railroad retirement by cutting funding for Amtrak, while stating that privatization is again in their party's vision. As stated, the GOP currently controls the House and Senate. Congress passed a **bipartisan transportation bill** last year (Fast Act), which acknowledged rail passenger train service,

In Memoriam...

Deceased Members: Kathleen Cline, George Lynch, Charles Green, Warren White, Mary Bluske Scott, Ludella Branch, Helen Smith, and Charles Haley

Contributions: Eugene Wood; George Wisdom in remembrance of his late wife, Marjorie Wisdom; and Kristine Campbell in remembrance of her late husband, Rodger Campbell.

with newly authorized and improved levels of federal funding for Amtrak. Yet, we again faced several amendments all meant to destroy Amtrak, and abolish thousands of American rail jobs that pay into our retirement system. Those actions fly in the face of what the country is pleading for, and what the leaders of both parties were pushing through Congress. Leaders in both chambers finally worked together to give us a multi-year **bipartisan bill**, with commitments for the transportation and infrastructure needs of this nation, and still, in the

midst of that important discussion, we have to fight back the lies and actions of those in the GOP that insist on obstructing American progress (JulyNewsletter,2015)! We need to be smart in this election. As stated, the Senate is currently in the hands of the GOP majority. The Democrats need four seats to take the majority back in the Senate. The GOP has 24 Senate seats to defend and the Dems have 10. Who should represent you and your family in the U.S. Senate...

— Gary Faley, *Legislative Director*

(National President's Column from page 1)

rates below the normal rates would be divided equally between employers and employees. This legislation also established the National Railroad Retirement Investment Trust (NRRIT). Under the old statute investment of Tier II assets, which were held in the Railroad Retirement Account (RRA), was limited to U.S. Government securities. Under the RRSIA of 2001, authority was provided for RRA assets to be invested in a diversified investment portfolio as are the assets of private sector retirement plans. Since the Trust was established effective February 1, 2002 assets of the RRA were at \$20.7 billion. Today as of March 31, 2016 the Trust was at \$26.0 billion

dollars. That is an increase of approximately \$6 billion in 14 years.

Presently, there is a candidate for vice president of the United States on a major party ticket who did not support railroad workers, retirees, widows, widowers and dependent children on final passage of the bill in the House of Representatives. His record stands as a matter of record. On December 11, 2001, Roll Call #485, there were 369 ayes, 33 Nays and 31 Not voting. Congressman Mike Pence, then of the Second District of Indiana was one of the 33 nay votes. Voting records are not erasable... facts are facts. This was a bipartisan bill supported by all of those I mentioned above in our industry. Does Mr. Pence deserve our support? You be the judge!

—Tom Dwyer, *National President*

From the National Secretary-Treasurer —

Things are starting to pick up at the NARVRE national office. Our phones are ringing. E-mails are coming in.

We have received a great number of positive responses regarding the color version of our newsletter which is available to members receiving it via email. Many thanks to our publisher Jon Males for making this service possible to members at no extra cost.

Many are renewing their memberships. There are many asking for more information and details on our great organization's mission. Many are also asking for our membership prices. Those can be found in the chart featured below. Brand new brochures featuring the new address, phone information, and member rates will be available for local units in the near future. For your con-

venience, we also have member rates listed on the homepage of our website.

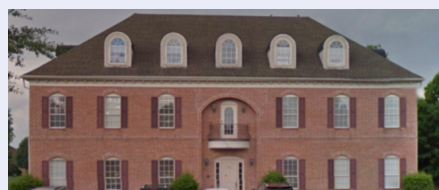
Individuals: Members associated with a local unit receive a discounted price that is reflected in red. (Discounted price does not include local unit dues.) Members not associated with a unit are considered 801's or Members at Large.

1 Year \$16 / \$13.50
5 Years \$50
10 Years \$90
Lifetime \$130

Couples: Members associated with a local unit receive a discounted price that is reflected in red. (Discounted price does not include local unit dues. Members not associated with a unit are considered 801's or Members at Large.

1 Year \$23 / \$20.50
5 Years \$80
10 Years \$120
Lifetime \$160

— James (Phil) Steward,
National Sec/Treas



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Medicare Scams Surround Unnecessary Genetic Testing

Several False Claims Act lawsuits have been filed against individuals and laboratories that are alleged to have lured patients into having unnecessary genetic testing. Much of this activity happens at health fairs, 'ice cream socials' and other events that draw crowds small and large to a single venue.

How it works: lab representatives 'swab' the insides of patients' cheeks and promise that the results will show possible negative interactions to medicines the patients are taking. Often the lab staff will give out free vouchers or gifts to participate. They ask seniors for their Medicare numbers and say they will send the results to the patients' doctors. Some individuals even offer cash. They say that Medicare will cover the services and that the patients don't need to worry about a thing.

This could not be further from the truth.

Medicare covers specific genetic

testing when it is medically reasonable and necessary for the diagnosis or treatment of the beneficiary. Genetic testing must be ordered by a physician or practitioner, and labs must keep the orders in a patient's case file. In these situations, when audited, the labs can't produce doctors' orders that were never made, and Medicare has taken back money paid for suspect services.

Here's an example of this scam in action: Millennium Health (formerly called Millennium Laboratories) settled with the government to pay back \$10 million to resolve allegations of submitting false claims for genetic testing, which was performed without orders or an assessment of the patients' needs. According to the Department of Justice, Millennium allegedly promoted unnecessary testing that 'increased medical costs without serving patients' real medical needs', said U.S. Attorney Carmen M. Ortiz.

At Railroad Medicare, our Benefit Integrity Unit (BIU) investigates cases

and seeks to identify potential fraud or abuse. The BIU looks for labs billing specific codes related to this type of testing, as well as for multiple tests by the same lab on the same date of service.

If are concerned about a test you have had, or if you have questions about your Railroad Medicare coverage, you can call our Beneficiary Contact Center at 800-833-4455, or for the hearing impaired, call TTY/TDD at 877-566-3572. Customer Service Representatives are available Monday through Friday, from 8:30 a.m. until 7 p.m. ET.

You also can contact us by mail at:
Palmetto GBA/Benefit Integrity
P.O. Box 1956
Augusta, GA 30999

As always, we encourage you to visit our website at www.PalmettoGBA.com/RR/Me and our Facebook page at www.Facebook.com/MyRRMedicare.

Jennifer Johnson