

\* \* \* \* AFSA Alert - September 21, 2011 - 7:45 AM EST \* \* \* \*

## White House Plan Calls for Higher TRICARE Fees and Possible Changes in Retirement Benefits

A deficit reduction plan put forth by President Obama on Monday would raise TRICARE fees for older military retirees and pharmaceutical copays for most beneficiaries. It would also establish a board similar to the 2005 base realignment commission (BRAC) to advance reforms of the military retirement system.

Beginning in FY 2013, military retirees and their families using TRICARE for Life (TFL) would be required to pay an annual fee of \$200 in order to continue their coverage. The new fee would gradually increase, and it is in addition to monthly Medicare Part B premium payments already required by TFL. Out-of-pocket pharmacy costs would also rise under the presidents' plan to more closely match benefits offered to other federal employees. These higher copays would apply to active duty dependants, retirees and their family members, but not active duty service members.

The President said the current military system was designed for a different era of work and is now out of line with most other government or private retirement plans. To consider reforms in this area, he intends to set up a commission to develop recommendations for reforming the current military retirement system. Like the 2005 BRAC process, DoD would submit a proposal to the commission which could alter it before sending it to the President. The President cannot revise the commission's proposal; only decide whether or not to send it to Congress. If he does, lawmakers would then have to approve or disapprove it without modifications. Additionally, we note the president's written proposal to Congress includes a statement that says "The Administration believes that any major military retirement reforms should include grandfathering provisions that ensure that the country does not break faith with military personnel now serving."

AFSA recognizes that failing to take care of the men and women who bravely protect this great nation hurts their morale and shakes the security foundation we all rely upon to guarantee our freedom. Members who share this view and have concerns with the changes described above should voice them directly to the President and their elected representatives in Congress. You can reach the White House Comment Line by calling (202) 456-1111 or send the President an electronic message at <http://www.whitehouse.gov/contact> <<http://www.whitehouse.gov/contact>>. To contact your representative and two senators, visit their individual websites or call them, via the Capitol Hill Operator, at (202) 224-3121 or (202) 224-3125.