

TSRA NEWSLETTER

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SPECIAL EDITION

A Message from Joel Bernstein – TSRA’s Continued Success

Dear TSRA Members,

You may have heard recent news regarding the Sensor Fuzed Weapon (SFW) program at Textron Systems and its impact on the business environment at its Wilmington, Massachusetts facility.

On behalf of the Textron Systems Retirees Association (TSRA), I received a letter from Brian Sinkiewicz, Senior Vice President and General Manager at Textron Systems regarding this matter. In his letter, Mr. Sinkiewicz writes:

“After careful consideration, Textron Systems has decided to wind down the manufacturing and sale of our Sensor Fuzed Weapon (“SFW”) product line. This decision comes after extensive discussion with our customers, the Department of Defense, and Textron leadership.

“As Textron Systems fulfills final deliveries under existing SFW production contracts, we are in the process of evaluating its impact on our business. We greatly appreciate your continued support as we transition our business and proceed forward with the development and manufacturing of other advanced capabilities, products and services.

“We have an unwavering commitment to our customers and value your contributions over the years, as current and former Textron employees, that have enabled Textron Systems to meet the needs of our US Government customer and International partners.

“Additional information will be distributed in the near future regarding our plans going forward. Thank you for your continued support.”

Recently there have been a lot of questions about your Textron Systems Retirees Association (TSRA) concerning its viability with respect to the decline of Textron Systems - Weapon and Sensor Systems (TS-W&SS) in Wilmington. I want to share with our members the view of the Officers and Board of Directors of our Association.

As a volunteer group of former Textron Systems (TS) employees, TSRA is not dependent on TS or Textron for our livelihood. While we strive to maintain a close working relationship with TS, our future lies with the membership. It is the membership that keeps our association viable by continuing to be members, participating in social events and providing feedback to the officers and directors. We also keep looking for new members, whether they are still at TS or have left, and have been successfully adding to our numbers.

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A Message from Joel Bernstein (continued from page 1)

I can report that there are over 500 member families in the association for 2017. These numbers assure that TSRA will be viable for the near future and we will continue to serve our members, providing the services you have told us you want. These include keeping the members informed via the newsletter and website; hosting social events like the Spring and Fall Luncheons and various group activities throughout the year; and keeping abreast of benefit issues that affect both retirees and pre-retirees.

The TSRA still maintains a good working relationship with TS by supporting the TS pre-retirees network and keeping good communications with management. To that end, we have sponsored seminars with the pre-retirees network and welcomed the General Manager to speak at our luncheons. On TS' part, they have generously allowed the Board to meet monthly in Wilmington by providing a conference room.

The bottom line is that TSRA will continue as a volunteer organization supporting our membership independent of any decline or major change at TS.

Editor's Note: Coming soon – Meet TSRA's new President, Len Epstein!

The Textron Retirement Program (Joel Bernstein)

Recently TSRA has been asked about whether the Textron Retirement Program ("pension") could be affected by the decline at Textron Systems Weapon and Sensor Systems. This program is available to Textron employees who started working prior to January 1, 2010 and meet the vesting requirements.

TSRA provided an answer to this question at a recent seminar at Wilmington hosted by the pre-retirees network and TSRA. As this applies to many of our members, I thought I would repeat our answer here.

The pension plan is funded by Textron Corporation and is subject to various federal pension laws about how they fund it and who manages the money. To the extent that Textron Systems Weapon and Sensor Systems affects the well being of the Corporation, there could be some impact. However, as long as Textron Corporation remains a viable corporation and continues to fund the pension plan, there would be no impact. In its latest Annual Funding Notice filing (December 31, 2016), Textron shows that it is fully funded with assets of \$4.44B and liabilities of \$4.38B.

Textron also contributes to the Pension Benefit Guaranty Corporation (PBGC) which was established by ERISA and therefore needs to follow the PBGC guidelines for minimum funding **and** your pension is insured for a certain percentage which in most cases is significant. (You can find the guaranteed amount and much more information on the PBGC website: www.pbqc.gov.)

So the bottom line here is that the Textron pension is relatively safe and is also insured by an agency of the federal government.

Some Information Regarding COBRA Coverage (Mark Kovacs)

The recent Textron announcements of Wilmington staff reductions have prompted this repeat/modified Newsletter article regarding COBRA (Consolidated Omnibus Budget Reconciliation Act) medical coverage.

Although over age 65, some of these employees may have had Textron-sponsored medical coverage and may not have signed-up for Medicare Part B coverage while employed. This is acceptable to Medicare since your employer-provided coverage may have been equivalent to or better than Medicare Part B.

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Some Information Regarding COBRA Coverage

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Medicare provides that you may sign-up for Part B coverage at any time without penalty while you are covered under an employer's (or spouse's employer's) medical plan. However, upon leaving the employer's coverage, e.g., via lay-off or normal retirement, Medicare requires that you sign-up for Part B within eight months of your separation date. This period will run whether or not you choose COBRA (which normally runs for 18 months). If you choose COBRA, don't wait until your COBRA ends to enroll in Part B, you must sign-up for Part B within the eight-month time limit. COBRA and also retiree coverage (not likely available to current Textron Systems employees since it was last offered to "grandfathered" employees in 1988) don't count as employer coverage. Some employees over age 65 may choose Medicare immediately instead of accepting COBRA. If these over-65 employees have a spouse or dependent children who are not of Medicare age, Textron must offer COBRA coverage to the spouse and dependent children.

If you fail to sign-up for Part B within the eight-month window, you may have to pay a late enrollment penalty for as long as you have Part B (likely to the end of your life). Your monthly premium for Part B may go up 10% for each 12-month period that you could have had Part B, but didn't sign-up for it.

Also, a comment about Textron-provided COBRA coverage: Usually Textron has offered a subsidized COBRA medical plan, subsidized over the period of the employee's severance. This subsidized plan can be attractive relative to Medicare Plan B and the usual Supplemental Insurance coverage provided by commercial insurers. Once the subsidy ends, most former employees will find that the Medicare Plan B with Supplemental Insurance is the lower cost alternative to remaining with a COBRA plan.

Once again, if you continue with COBRA, make sure that you have signed up for Medicare Part B before the eight-month period has passed.

Please also note that although most COBRA plans have creditable drug coverage and would not be subjected to a late Part D enrollment penalty, there will be a late enrollment penalty of 1% per month of the benchmark (the national base beneficiary premium – about \$32/month) for those eligible for Part D and did not have creditable coverage. Prescription drug plans will be covered in a separate article in a future edition of the newsletter.

For more detail, please refer to **Medicare & You – 2017** from which the above information was taken. Specifically see pages 23, 24, 25 and 95. You can find the document at www.medicare.gov under the "Forms, Help & Resources" tab.

In addition, note that Textron provides a document describing the periods you were covered under an employer health plan. This document is very valuable in discussions with Medicare regarding possible gaps in medical coverage and potential late-enrollment penalties. **SAVE THIS DOCUMENT describing your periods of Textron-provided coverage!**

The following Web articles provide more detail on COBRA coverage and were used in preparing this article:

An Employee's Guide to Health Benefits Under COBRA (PDF)

<https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/laws/cobra/COBRAemployee.pdf>

COBRA Continuation Coverage Questions and Answers

https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_qna.html

Upcoming Events

JUNE 13, 2017

(Rain date: **JUNE 20, 2017**)

ANNUAL J.J. MAHONEY GOLF TOURNAMENT

Hillview Country Club, N. Reading, MA

JULY 17, 2017

LOWELL SPINNERS BASEBALL & BBQ

LeLacheur Park, Lowell, MA

Details will be provided when they are available.

Medicare 101

(Robert E. Ricles, Esq. *)

In 1965 President Lyndon Johnson signed into law the Medicare program. Medicare is the Federal health insurance program administered through Social Security.

By 2015, about 55.5 million people were enrolled in Medicare.

This article will address the basics. For more detailed assistance, you should contact your local SHINE counselor either by reaching out to your local Senior Citizens Center or by calling SHINE at 1-800-AGE-INFO (1-800-243-4636). (SHINE stands for Serving the Health Insurance Needs of Everyone.)

There are four basic parts to Medicare:

Part A: Provides Inpatient Medical Care

If you are already receiving Social Security benefits, you will automatically receive Part A starting the first day of the month you turn 65. You should receive your red, white and blue Medicare card in the mail three months prior to your 65th birthday. Protect this card the same way you protect a credit card since the card currently contains your Social Security Number and could subject you to identity theft.

Part A helps pay for inpatient hospital care, skilled nursing facility (SNF), hospice and blood. For 2017 there is a \$1,316 deductible. In order to be eligible for a skilled nursing facility, you must have been **admitted** to the hospital for three days – if you are on observational status, you are not eligible. Under Part A you pay nothing for the first 20 days of each benefit period in the SNF; there is a co-pay for days 21-100 and you pay all costs for each day after day 100 in a benefit period. A benefit period is defined as beginning the day you are admitted as an inpatient to a hospital or SNF and ends after 60 days or more in a row following discharge from the hospital or SNF. If the hospital has to buy blood, you must pay for the first three units, after which the blood is included in your Part A coverage.

Part B: Provides Outpatient Medical Care

If you are already receiving Social Security benefits, you will automatically receive Part B starting the first day of the month you turn 65. You may opt out of Part B without penalty if you are covered by an Employer Group Health Plan (EGHP) through **active employment** (either through your own or your spouse's employment).

If you do not sign up for Part B when initially eligible, there is a penalty of 10% for every 12-month period for which you are eligible and do not enroll. Note that COBRA does **not** count as EGHP coverage. You will pay a monthly premium for Part B of \$109 for 2017 if your premium is deducted from your Social Security and your income is \$85,000 or less (\$170,000 for a married couple). For 2017, there is a \$183 deductible.

Part B helps pay for outpatient medical services including doctors' visits, tests, preventative services, an annual wellness visit (but not routine annual physicals), ambulance transportation, durable medical equipment, home health care, etc. In most cases, Medicare pays 80% of the approved cost and you do have certain co-pays. If your provider has to buy blood, you must pay for the first three units, after which the blood is included in your Part B coverage. Together, Parts A & B are referred to as "Original Medicare".

Original Medicare does not cover routine eye exams/eyewear (in most cases), routine foot care, hearing exams, hearing aids, medical care outside the USA and dental care/dentures. Original Medicare's preventative benefits include a one-time physical (within one year of initial eligibility for Medicare), annual prostate cancer screening, colorectal cancer screening, blood sugar testing equipment and training for managing diabetes, immunizations (flu, pneumonia, hepatitis B), annual mammography, pap smear, annual glaucoma screening, cardiovascular screening, diabetes screening and ultrasound screening for abdominal aortic aneurysms.

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Medicare 101
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Part C: Medicare Advantage (MA) Plans

Medicare Advantage (MA) plans are private health plans that contract with Medicare to deliver **all** medical services and cover gaps in Original Medicare. You must have Original Medicare to be eligible for MA. Most MA plans are either Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO) plans.

Most MA plans include Prescription Drug Plans (MA-PD).

Most have monthly premiums (in addition to your Part B premium), co-pays for most services, may have deductibles and may offer limited extra benefits. If you join an HMO, you generally need to get your services from within the plan's network, except for emergency care, out-of-area urgent care or out-of-area dialysis. If your plan includes prescription drugs, you cannot have a separate Part D plan.

Alternative to Part C Plans – Medigap Plans
(These are not Part C Plans)

In lieu of a Medicare Advantage (MA) plan, you may opt for a Medigap Plan and a separate Prescription Drug Plan (PDP).

There are two types of Medigap plans in Massachusetts – **Supplement 1** (covers most gaps) and **Core** (covers some gaps). To be eligible, you must be a Massachusetts resident and have original Medicare. These plans are sold by several different companies at different monthly premiums but coverage for Medicare services is identical.

Details of differences between Supplement 1 and Core Medigap plans may be obtained from your SHINE counselor or the website noted at the end of this article.

Some brief comparisons between Supplement 1 Medigap plans and Medicare Advantage:

Supplement 1 has higher monthly premium, but no co-pay

Medicare Advantage on average has lower monthly premium but has co-pays

Supplement 1 has no networks

Medicare Advantage is generally restricted to network

Supplement 1 does not require referrals

Medicare Advantage may need referrals for specialists

Supplement 1 is covered anywhere in the United States

With Medicare Advantage, you cannot live outside the service area for more than six consecutive months

Foreign travel is included in Supplement 1 but not typically with Medicare Advantage Plans.

Some routine services (vision, hearing, dental) not included in Supplement 1 may be included in Medicare Advantage plans.

Part D: Prescription Drug Plans (PDP)

If you did not opt for a MA-PD plan, you may obtain a stand-alone Prescription Drug Plan (PDP). PDP's may have premiums, deductibles, co-pays, retail costs and drugs covered by the plan (the formulary). Until you meet your deductible, you pay the full cost of the drug; during initial coverage, the plan pays 75% and you pay 25%. At some point you could enter the coverage gap (so-called "donut hole") during which you pay a percentage for brand-name drugs and a percentage for generic drugs. The percentage decreases each year until 2020 at which time the donut hole is phased out (part of the Affordable Care Act – "Obamacare"). When you reach a certain point called catastrophic coverage, the plan pays 95% and you pay 5% or a small co-pay, whichever is larger.

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Medicare 101 (continued from page 5)

For PDP selection, you want to select the lowest cost plan with the fewest restrictions such as prior authorization. The provider must first contact the plan with more information, step therapy (beneficiary must try a less expensive drug before they can “step” up to a more expensive drug) and quantity limits (plan may limit the amount of prescription drugs covered over a certain period of time).

There is a late enrollment penalty of 1%/month for those who do not have creditable coverage (at least as good as Part D) when they first became eligible.

If you are computer-literate, www.medicare.gov is an excellent secure website on which you can compare various plans for your own personal circumstances.

Portions of this article were derived from the following sources: *Medicare & You – 2017*; SHINE Mini-Manual; www.medicare.gov; Shiptalk; and personal notes.

* Bob is a SHINE counselor

The Senior Medicare Patrol (SMP)

(Robert E. Ricles, Esq. *)

Did you know that healthcare errors, fraud and abuse cost American taxpayers over \$60 billion annually? The departments of Health and Human Services (HHS) and Justice noted that approximately \$2.4 billion was returned to the federal government or private persons in FY 2015. The Senior Medicare Patrol (SMP) program was born in 1997 as part of the Omnibus Consolidated Appropriations Act which formally supported enlisting seniors in the fight against Medicare fraud. Today the SMP program exists in every state, Washington, D.C., Puerto Rico, Guam and the U.S. Virgin Islands.

The SMP mission is to empower and assist Medicare beneficiaries, their families and caregivers to prevent, detect and report health care fraud, errors and abuse through outreach, counseling and education.

PREVENT: SMPs prevent health care fraud through education – presenting to groups, exhibiting at community events, providing one-on-one counseling and answering questions from people who call our toll-free number (1-800-892-0890 in Massachusetts or 1-866-634-9412 in New Hampshire).

You must protect your medical identification cards and numbers. Treat your Medicare card (which contains your Social Security Number) as if it were a credit card. Do not provide your number to a stranger who calls, visits or approaches you in a public setting. Medicare already has your Medicare number and will not call to ask you for it, and they certainly do not need your bank account number.

DETECT: Prevention alone cannot stop all fraud, errors and abuse. You should keep a record of health care services, visits or equipment you’ve received, test results, etc. At the May TSRA luncheon, each attendee received the SMP Personal Health Care Journal. The Journal provides an excellent tool for keeping track of things. Check your entries against the Medicare Summary Notices (MSN) and Explanation of Benefits (EOB) you receive from Medicare. If you do not understand the charges, or think you did not receive the service, or think the service was unnecessary, or were charged for the same thing twice, question your provider, Medicare plan or call 1-800-MEDICARE.

REPORT: You should call your health care provider to question a charge – if it was a mistake, ask them to correct it. If your provider or supplier is unable to answer the question, contact the company that paid the bill – their contact information is on the MSN or EOB. If you are not satisfied with the answers you receive, contact the SMP. We will help you address suspected errors.

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The Senior Medicare Patrol (continued from page 6)

If fraud or abuse is suspected, we refer the cases to the proper authorities for further investigation. If you are unable to act on your own to address suspected Medicare fraud, errors or abuse, we will work with you to address the problems and, if necessary, make referrals to outside organizations to intervene.

We are always in need of volunteers. To request a volunteer application or for more information, visit www.masmp.org or contact the Massachusetts SMP Program at 1-800-892-0890, ext. 1256.

* Bob is an SMP volunteer with the MA SMP Program

Pre-Retirees Network Retirement Planning Discussions (Guy Berube)

Pension, Social Security, 401K, Insurance

Recently, RBAC supported two employee meetings in Wilmington to answer retirement and benefits questions posted principally by current employees who will be leaving Textron within the next few months. Approximately forty people attended each session.

The Information Sessions included a panel of former Textron Systems employees (and members of the Textron Systems Retirees Association, TSRA). **Joel Bernstein, Guy Berube, Mike Considine** and **Mark Kovacs** responded to audience questions.

Note: This information was provided by the TSRA and not Textron Systems or Fidelity. It is for **guidance only** and you should consult with professionals (Fidelity, others) prior to making retirement decisions as **some decisions cannot be changed**.

The Fidelity website www.netbenefits.fidelity.com defines all of your benefits and is an excellent source for financial planning and retirement tools.

The TSRA website www.tsretirees.org also provides information on your Textron benefits and other retirement considerations (Social Security, Insurance, etc.). A summary of the Information Sessions has been prepared by the RBAC and also posted on the TSRA website for your convenience.

Get Your Free New Hampshire Fisher Cats Baseball Tickets Now!! (Dom La Rosa)

If any member is interested in attending a New Hampshire Fishercats baseball game in Manchester, NH this coming season, then we will once again have free tickets available for our members. You can request up to two tickets at any one time by simply notifying any TSRA Leadership Team member or emailing your request to tsraevents@tsretirees.org. Please include your address so we can mail the tickets to you. Games have already started and continue to early September. The nice feature of these tickets is that you can attend any game by bringing your tickets on the day of the desired game to the Fishercats box office and they will exchange them for you to enjoy a super game in your desired seats.

In Memoriam

TSRA sends its condolences and sincere sympathy to the families of the following former AVCO/Textron employees/or spouses.

Patricia "Pat" (Meves) Fleming, 10/05/16
Melvin L. Nelson, Jr., 10/12/16
James T. "Jim" Cahill, Jr., 02/11/17
Philip "Phil" Bainbridge, 02/21/17
Thomas V. "Tom" Flynn, 02/27/17
Pauline Walker, 03/03/17
William "Bill" Kacher, 03/14/17
Sebastian C. "Ned" DiSalvo, 03/16/17
Anthony C. "Tony" Ferrucci, 04/08/17
Carol J. (Fahey) Wiberg, 04/11/17
Therese J. (Berube) Smeriglio, 05/10/17
(wife of John)
John T. Babcock, 05/23/17
Stephen F. Teahan, 06/03/17

TSRA Newsletter

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Visit the TSRA website (www.tsretirees.org) for current and past editions of the Newsletter as well as other important information.

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