

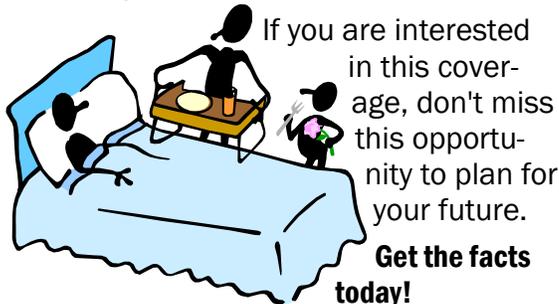


Benefits Bulletin

September 2002

Long-Term Care Insurance

Open Season for the Federal Long-Term Care Insurance Program runs through December 31, 2002. If you haven't already, be sure to visit the LTC Partners' Web site to view and/or order an Open Season Information Kit with application. Most employees, members of the uniformed services, and their spouses will be able to apply online at that site. Annuitants, retired members of the uniformed services, and other qualified relatives can complete an application online, print it out, and mail it.



The Office of Personnel Management says there will be future open seasons, although they won't be "on a regular or frequent basis" and no date has been set for the next one. Until now, OPM had not definitively said that there would be a future open season, although it had said there might be one or more.

Through December 31, active employees may sign up for coverage and be subject to only abbreviated underwriting (spouses of active employees are subject to two additional questions during the open season). Active employees and their spouses not applying during an open season will be subject to fuller underwriting – as are retirees, their spouses, and certain other eligible family members at all times.

MAMMOGRAPHY SCREENING PROGRAM

The 2002 Mammography program is underway.

Check Today@Glenn, August 1, 2002, for registration and screening deadlines, phone numbers, and information.

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Plan Features and Benefit Options Six Decisions to Consider

1. *Comprehensive or Facilities Only*
2. *Daily Benefit Amount*
3. *Daily or Weekly Reimbursement*
4. *Benefit Period*
5. *Waiting Period*
6. *Inflation Protection*

Long-Term Care Quiz

What would my family do today if I needed some type of long-term health care?

Would my family be able to care for me at home?

Would they need help from outside sources?

What if I needed nursing home care?

How would we pay for these types of services?



TSP NEWS

THRIFT INVESTMENT BOARD ANNOUNCES CHANGE IN SCHEDULE; AIMS FOR TRANSITION IN NOVEMBER TO NEW RECORD KEEPING SYSTEM

The Federal Retirement Thrift Investment Board announced that it is aiming for transition to its newly developed record keeping system for the Thrift Savings Plan (TSP) in November, instead of September 2002, as announced earlier. The Board will firm up the schedule over the next month based on the results of ongoing data conversion and system testing.

The new system was developed on time and within budget, but its implementation is being delayed in order to ensure that all of its functions are fully tested in parallel with the operation of the current record keeping system, using actual participant data submissions. This "parallel testing" has not yet been conducted because the conversion of TSP participant records created since the Plan's inception in 1987, a prerequisite for such testing and ultimately for implementation, has taken longer than expected.

The initial conversion of the participant records was completed on August 17, 2002. An analysis of the records to confirm that they were accurately and completely converted is now underway. With that assurance, parallel testing can begin.

The record conversion is being conducted by SunGard Data Systems Inc., a member of the team led by Materials, Communication & Computers, Inc. (MATCOM), of Alexandria, Virginia. SunGard Employee Benefit Systems developed the commercial off-the-shelf (COTS) record keeping system known as "OmniPlus," which is the software that forms the core of the new TSP system. The OmniPlus system is in widespread use in the private sector, and SunGard has successfully managed hundreds of record conversions into this system. None of them, however, has been as large as the one required for the almost two billion TSP records that comprise the TSP database.

Parallel testing will validate the results of the more limited system testing that has been performed to date — testing to demonstrate that the various modules of the new system function properly. Parallel testing will also confirm the system's capacity to handle the high volume of daily transactions from the TSP's nearly three million civilian and uniformed services participants.

The Board's Executive Director, Roger W. Mehle, stated that, "Although data conversion is expected soon to be validated, the compression caused by its delay dictates an adjustment to our implementation schedule to accommodate parallel testing. I have stated previously that we will make a transition to the new OmniPlus system only when we are completely satisfied of its reliability. Parallel testing will ascertain this."

In general, the new system will allow for daily valuation of accounts and daily processing of transactions. It also will report account balances in shares, as well as dollars; offer a greater number of withdrawal options; and provide online service via the Web site for loans and withdrawals. A summary of these and other operational improvements is provided in a leaflet entitled "[How the TSP Is Changing](#)," which is available on the TSP Web site, <http://www.tsp.gov/index.html>.

The Board originally contracted with American Management Systems, Inc. (AMS), to develop the new system, but after 4 years of AMS's unsatisfactory performance, the Board terminated AMS's contract for default and brought suit against it for fraud and breach of contract in U.S. District Court. (The suit is pending appeal on jurisdictional grounds in the U.S. Court of Appeals for the D.C. Circuit.) In contrast, MATCOM and its team have required only 1 year to complete essentially the same system development for which AMS still had no completion schedule at the time of its termination.

The TSP is a retirement savings plan for Federal employees, including members of the uniformed services, that is similar to the 401(k) plans offered by many private sector employers. It was created by the Federal Employees' Retirement System Act of 1986. As of July 31, 2002, TSP fund balances totaled approximately \$98 billion.

The TSP Open Season dates will be changed to October 15 through December 31, 2002, and April 15 through June 30, 2003. Contribution elections made during those periods will generally become effective in December or June, respectively.

Coming Events

FEHB—OPEN SEASON

November 11 through
December 9, 2002

FEHB—OPEN SEASON

HEALTH FAIR

November 26, 2002
9 a.m. to 4 p.m.
Main Cafeteria
Upper Level

RETIREMENT PLANNING SEMINARS:

September 23 - 25, 2002
(8:30 a.m. - 4 p.m.)

For all employees who plan to retire from Federal service. The time to attend this seminar is now, regardless of how far away from retirement you are.

September 24, 2002
(6:30 - 9:30 p.m.)

An evening seminar for all civil service employees and their spouses.

September 26, 2002
(8:30 a.m. - 2:30 p.m.)

For all employees who have taken a retirement seminar and would like to have information updates.

FedFlex Benefits Plan

In an effort to be a more competitive employer the Office of Personnel Management is developing a flexible spending plan for Federal employees. The FedFlex Benefit will allow employees to have a percentage of their salary deducted from gross salary for a tax benefit. The set aside amount can be used to cover health care expenses and dependent child care expenses that are allowable deductions for IRS purposes, but in the case of health care expenses, that are not covered by FEHB.

When electing to participate in the FedFlex plan, employees would be required to make a positive election each year. Changes outside of the open enrollment period would, most likely, be tied to a qualifying life event. Employees would submit claims through a third-party administrator. However, monies allocated to the FedFlex account that are not used for that benefit year would be lost.

The OPM is currently modifying their plan document. They will then issue a Request for Proposal, select the third-party administrator, and finally, issue the regulations. The start-up goal is June/July 2003.



NEBA Refund of Premium



In the Fall 2002, all members of record for 1 year as of May 31, 2002, will receive a refund of premium equal to 12 pay periods of premium for Basic and Dependent coverage. The checks will be sent to your mail stop. You will have 6 months to cash the check. Any checks not cashed will be returned to the Premiums Stabilization Reserve fund and will not be reissued.

Everything you wanted to know about...

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