Federal Retiree Task Force of North Carolina

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November, 2013

Dear Task Force member,

Well it's time for another update on the task force and boy what a year this has been. We went from totally doing away with the state income tax to one revision after another. We, the task force/4th branch met with the head of the finance committee of both the house and the senate and were told by both that the tax issues we were facing were about to disappear. The main concern for the legislature was going to be tax modernization or tax reform, well you know how things go with politicians they never got anywhere near the end results that they were looking for.

Having said all that we have been working very hard trying to get the extension to Bailey done and will continue to work to that end. We have a phased in proposal still in the house finance committee and have some "hope" that it might be taken up in the short session next year.

Our plans are to get the information out to all task force members, MOAA members/chapters, NARFE members and state employees(teachers included)and get more involvement with the legislature from all concerned parties.

Next year will be the year when federal employees with 30 years of service will be able to retire that will not qualify. If they started federal service after August 12, 1984 they do not qualify for the Bailey tax relief. They will have to pay taxes on their retirement benefits. We think that more attention will be given the Bailey extension when these retirees find out that they don't qualify.

In last years letter we were looking for support with the individual legislators in your district, sorry to have asked for your support and never getting any directions about what to do, our bill never got out of the finance committee. The so called tax modernization never materialized and we were left in the "committee", if our bill gets out of "finance" we will again ask for your support.

Another thing that concerns the task force board of directors is the decline in contributions from previous years, we know that the economy is still not very good but the contributions and contributors in 2012/2013 were about half of what they have been in the past. For the first time in a long time we spent more money than we took in. Our biggest expense is our lobbyist and the decision was made to keep him another year or two.

An issue that I have gotten questions about in the last year has been the thrift savings accounts. Question was does the money in our thrift savings account qualify for Bailey. Yes it does if you still have it in the account. If you have transferred it to a commercial IRA or some other form of retirement plan you have to pay state taxes on all withdrawals. This is not complicated if you still have it in the thrift savings account it qualifies if you don't you have to pay taxes on the withdrawals.

Thank you for your continued support of the task force, ya'll have been a solid group of people that cares for current and future retirees in North Carolina, I wish I could tell all the federal workers how faithful you have been thru the years. This started in 1989 and has been going strong for 24 years and with your help we will continue to fight for equal tax treatment of government retiree benefits.(stay tuned for what happens in year 25)

Welcome to our newest board member Jeri Graham, retired army colonel and new president of the state MOAA council.

Thanks to you all for what you have done and continue to do for this great country of ours.

Paul E Sams

Director federal retiree task force of NC

PS don't forget if your retirement benefits are $1,000.00 a month you have an additional $70.00 in your check because you don't have to pay 7% state income tax

Mail all contributions to

Paul E Sams

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Take Time

Take time to think — thoughts are the source of power.

Take time to play — play is the secret of perpetual youth.

Take time to read — reading is the fountain of wisdom.

Take time to pray — prayer can be a rock of strength in a time of trouble.

Take time to love — loving is what makes living worthwhile.

Take time to be friendly — friendships give life a delicious flavor.

Take time to laugh — laughter is the music of the soul.

Take time to give — any day of the year is too short for selfishness.

Take time to do your work well — pride in your work, no matter what it is, nourishes the ego and the spirit.

Take time to show appreciation — thanks is the frosting on the cake of life.