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FIRST WORDS - Bob Hamilton

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In light of the present financial crisis it seems appropriate to share with you a question from one of our members. A senior Raytheon official responded with our initial inquiry. The ARR hopes this and some of the articles within will help ease your mind.

Hello ARR,

In light of what is happening on Wall St., I fear that the Company's pension fund may well have lost a bundle recently. I believe that our pensions are not guaranteed, but if I'm wrong, please correct me.

The question is, could the Company say that everyone's pension is going to be reduced by X amount because the fund is not performing up to it's expectations?

If such a thing were to happen, does the ARR have a prepared reaction/response?

Do you know how large a billion is? See page 9 for a quick check!

Visit raytheon.benefitcenter.com for health plan info.

A senior Raytheon Company executive responded to our member's question:

"We have received many such requests directly. We are in the process of preparing a response but rest assured the company is committed to meeting its pension obligations."

**Financial Crisis: Effect on
Obligations of Raytheon
Pension Plans**

Joseph DeAmbrose

Raytheon retirees may well be concerned with the impact of the current financial turmoil on their pensions—a few have raised their concerns with the ARR.

The ARR does not have specific information but it is very likely that the value of the assets set aside to provide pension benefits has taken a hit. The size of the damage to asset values is likely to mirror the carnage in the financial markets which is broad and deep as we all know too well.

As a result, retirees are certainly less secure than they were just a few short months ago when Raytheon's pension plans were well funded and benefiting from what were very respectable investment returns.

Nonetheless, there should be no problem with pension payments—the checks will keep on coming.

Pension payments from

defined benefit plans such as the Raytheon Salaried, Hourly, and the plans for the former Hughes, E-Systems and other such employee groups are not directly affected by a decline in asset values.

The promised payments must still be made and it would be expected that each of the plans has sufficient liquidity despite the downturn to make required payments. So, your pension payments are relatively safe.

The right to a pension is a sight better than a stock market investment or even some bank accounts at the moment. Pension plans are required to be funded; that is, money has to be set aside to pay the pensions and the Raytheon plans were reasonably well funded by most accounts.

The employer is the one that will suffer the greatest from a significant decline in the value of the assets funding pension obligations.

Ultimately, the employer has to make up the shortfall with

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additional contributions or, we should all hope, a reversal of the decline in values that eliminates the shortfall.

To be sure there is risk for retirees. An employer could try to terminate a pension plan or plans, leaving the depleted plan assets to the plan beneficiaries.

Fortunately there are disincentives to a functioning business taking such a course of action. Another way for an employer to reduce its obligations is to cut back on the pension plan benefits.

Raytheon has already reduced its future obligations because new employees are no longer eligible to join most of Raytheon's defined benefit pension plans. However, retiree benefits are vested and cannot be cut back or reduced by the employer.

The main risk for retirees (and other plan members) is that the employer goes bankrupt and is unable to meet its pension funding obligations. In such a case, the plan assets are turned

over to a government creature called the Pension Benefit Guarantee Corporation (PBGC) which guarantees the pension payments—but in reduced amounts.

So, the bad news is that there is some risk, but the good news is that there are layers of happenstance and, ultimately, a government sponsored safety net for pensioners to reduce the risk—as long as the government can handle all the safety nets it is sponsoring.

Be aware of the difference between defined benefit pension plans as described above and another type of pension plan called a defined contribution plan. A 401K plan is a defined contribution plan as are most profit sharing plans. The employer has little responsibility for the ultimate benefit from such plans after it has made its contribution to the plan.

In 401K plans, the employee almost always chooses the assets for investment and suffers the consequences of his or her choice. The same can be said for IRAs, many of which hold assets that were rolled over from an employer 401K or profit sharing plan.

Retiree Benefits Roundup

Joseph DeAmbrose

From time to time, subjects of interest to retirees which have appeared in the public press will be summarized and translated into meaningful (hopefully) information for the Raytheon retiree universe. Return comments or criticisms are welcome. If any of you have run across similar items of interest or questions which may be of interest to the group, please forward to the ARR.

The Social Security Gambit

There have been a number of published articles in recent months describing a method to increase social security retirement benefit payouts. One article in the *Wall Street Journal* on August 9 is typical. According to the article, the technique, recognized by the Social Security Administration (SSA), involves a payback of all social security benefits received in exchange for a recalculated monthly benefit based on the age of the recipient at the date of payback.

The article refers to an example of a 70-year-old married couple who had begun collecting benefits in their early 60s, each currently being paid \$13,250 a year. An increase to \$20,693 a year could be had for a full payback of all benefits previously received. The payback by each would be \$94,556 according to references in the article. The payback strategy should be of interest to Raytheon retirees.

Most retirees are familiar with the basic social security benefit payment options. The “normal” social security retirement date for those born before 1938 is age 65. For persons born after 1937, the normal retirement age increases. Most current retirees probably have a normal retirement age for these purposes of between 65 and 66 years.

The benefit amount is calculated as of the normal retirement date. A reduced benefit beginning at age 62 can be elected. An election can also be made to defer the commencement date of

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payments. On a delayed commencement, benefits are increased about 7% per year of delay.

To illustrate the basics, assume an individual with a normal retirement age of 65 on January 1, 2003 (born before 1939), and a normal retirement benefit of \$15,000 annually calculated as of that date. The individual could elect to start receiving benefits of 80% of the normal benefit at age 62 (\$12,000). Delaying commencement of benefits beyond the normal date would increase the amount to \$16,050 at age 66, \$17,174 at age 67, and so on, until the normal amount would be increased to \$21,038 if payment were delayed to age 70.

At the delayed commencement date, any cost-of living adjustments for the period would be added on. Importantly, while commencement of benefits can be delayed to a date after age 70, there is no benefit increase because of delay beyond that date.

The example of the married couple in the *Journal* was based on a case study contained in “ESPlanner.com” at “Case Studies” and “Double Dip on Social Security.” The ESPlanner website approved of the couples’ payback concluding that it “raised their living standard—their sustainable consumption expenditure—by 21.7 percent. . .” The analysis was made using a software package offered for sale on the website.

Another boost for the payback strategy came in a *Boston Globe* article by Scott Burns on July 19, 2008. This article compared the payback amount with the cost of a commercial annuity for the increased benefit having features similar to the social security benefit—Social Security provides a survivor benefit and an annual cost of living adjustment.

In the comparison, the increase in the social security benefit was \$9,456 a year after a repayment of \$158,529.

The cost of an inflation-adjusted commercial annuity in that amount with a survivor benefit was estimated to be

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\$198,386, suggesting that the payback benefit is relatively inexpensive. Mr. Burns also noted that there could be a refund of taxes paid on the benefits repaid which would further reduce the outlay on the payback.

A week after the August 9 article, the *Journal* revisited the payback strategy citing a heavy mail response. The latter article took a much more cautionary view; health and longevity expectations were emphasized. The article also acknowledged a potential downside involving the opportunity cost of the payback amount, but seemed to conclude that it might be a beneficial option.

Thus, the published consensus seems to be that the payback strategy might be of interest to some recipients but no broad endorsement was made.

There are some obvious considerations for anyone interested in this strategy. The payback amount is substantial, probably in the vicinity of \$100,000 for a payback at age 70 for a

recipient having retired at age 65. The payback amount will deter many recipients from considering the opportunity. Even if the cash is available, it may represent a reserve for emergencies.

Of primary importance is the health of the recipient and spouse. It would not make much sense for someone in ill health to make a payback in exchange for benefits that will never be received. A married recipient should be a better candidate for a payback than an unmarried one because the potential longevity of two lives should always be greater than one. Recipients past age 70 are probably not the best candidates for a payback as the increase in social security benefits ends at age 70.

If the cash is readily available for a payback, and there are no other clear impediments, how does one analyze and decide?

A comparison of the payback amount with the cost of comparable life annuity, as was done in the *Globe's* example, provides a comparative cost reference

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point which might be helpful. The *Globe's* example involved an individual at age 73 with a 59-year-old spouse.

The specific annuity examined contained a survivor benefit involving a relatively young spouse, which was probably a significant factor in the high cost of the annuity compared to the payback amount. A less expensive annuity might be available on different facts but making a comparison is probably useful.

There is one other feature of the annuity which was not mentioned in the article but which could be significant in establishing this type of reference point. A portion of the commercial annuity payments will be returned tax-free to the extent of the cost of the annuity, whereas almost all of the increased social security benefit could be subject to tax. Any comparison should be done on an after-tax basis to get at the bottom line difference.

As to the case study support for the payback, the applied methodology is fuzzy as it was

based on “black box” software, but the fundamental premise behind the favorable view expressed seems to be that outliving resources is the worst thing to happen so it is better to overestimate life expectancies (which tends to make the payback option look good) than to underestimate (which tends to make the payback option look bad). If the overestimate is wrong, only the heirs of the estate of the recipient are penalized.

One other point: However analyzed, there is a tax consequence to the payback. It is likely that any social security benefits repaid will have been subject to tax when first received. If the tax paid on receipt is refunded when the payback is made, the refund effectively reduces the net payback.

As noted in some of the articles, IRS Publication 915 contains rules for claiming a refund of taxes paid on a social security payback. The tax rules in this context are complex and there is some doubt whether the refund described in the IRS Publication would apply to a

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voluntary payback of a social security benefits as compared to a required payback. A payback will likely offset social security benefits received in the year of repayment for tax purposes but not necessarily more than that. Your tax advisor should review any proposed payback in this

regard.

Anyone interested in the payback strategy should contact an SSA representative to determine the specific increased benefit and payback amounts and then move on from there but, prudently, with the assistance of a qualified financial advisor.

Taxation of Social Security Benefits

Joseph DeAmbrose

Another article by Scott Burns published in the *Boston Globe* on August 23, 2008, was highly critical of the current method of taxing social security retirement benefits.

Social security benefits first became taxable in 1984 when a law was enacted to tax up to 50% of benefits depending on a recipient's total income in a year. A 1993 amendment to the law increased the amount of benefits subject to tax to 85% for higher income taxpayers. Without getting into the complicated tax formulations, the amounts

used as the basis for measuring total income are set at \$32,000 for joint returns and \$25,000 for single returns. The amounts introduced in 1993 to move the taxation ceiling up to 85%, are \$44,000 for a joint return and \$34,000 for a single return.

Unlike many other provisions of the tax code, these four amounts were not indexed for inflation so that the benefits of more and more retirees become subject to tax each passing year; currently 30% of recipients have benefits subject to tax according to the article. Mr. Burns calls this the "diabolical tax."

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Many other dollar thresholds in the tax code are indexed for inflation, usually with reference to a Consumer Price Index maintained by the Labor Department. The Index indicates an approximate 3% annual inflation rate from the

early 1990s to date. The following chart contains the threshold amounts as enacted and as they would be for 2008 if they had been indexed for inflation at an annual 3% rate.

	Threshold Amounts		With Inflation Indexing	
	<i>1984 Original</i>	<i>1993 Change</i>	<i>1984–2008</i>	<i>1993–2008</i>
Joint Return	32,000	44,000	51,351	70,607
Single Taxpayer	25,000	34,000	40,118	54,560
SS Taxed up to:	50%	85%	50%	85%

Answer for page 1 question:

How large is a billion?

A billion seconds ago it was 1959.

A billion minutes ago Jesus was alive.

A billion hours ago our ancestors were living in the Stone Age.

A billion days ago no-one walked on the earth on two feet.

A billion dollars ago was only 8 hours and 20 minutes, at the rate our government is spending it.

MEDICARE D—TIME TO CONSIDER PLAN CHOICES
FOR 2009

Bruce Nogueira

The open enrollment period for Medicare D 2009 plans is November 15 to December 31, 2008. After 3 years in the Humana Standard plan, I'm advising my wife to make a plan change for 1/1/2009. In Mass., Humana's premium in 2006 was \$7/month and the least expensive plan choice. In 2007, premiums increased to \$17/month, but, for many, the plan was still competitive vs. other plan choices. In 2008, at \$24/month, Humana's plan, in my opinion, slipped below average—but a favorable alternative was not obvious from the plan choices.

For 2009, Humana's premium increases to \$41.40/month **but the brand name drug co-pays increase from 25% to 47%!!** That was the "last straw."

I used the Medicare's website (www.medicare.gov) to compare the drug plans available in **Mass.** for 2009 based on total annual costs. I entered my wife's drug list on the website and found a couple of plans that provide substantially lower annual costs than Humana's Standard plan. Another Raytheon retiree living in **Florida** used the same website to compare plans in his area for he and his wife. He agreed to share his findings with us.

Please note that the figures below **do not include** the Raytheon Medicare Plus plan reimbursement of about 80% when you enter the gap under the Medicare D Plan.

Comparison of 2009 plans—Massachusetts

My wife has 2 brand and 4 generic Rx's that were used in this comparison. Since she uses the cost savings from ordering a 90-day supply via mail order, the comparisons will show only the mail order costs—although very similar results were found for buying those same drugs every 30 days at a participating pharmacy.

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*(Continued from page 10)***Annual Drug Costs (including Premium) for Mail Order**

Humana Std. Plan	Aetna Medicare Rx Essentials	UA Medicare Part D
\$1,720	\$1,153	\$1,312

Aetna versus Humana

	Humana	Aetna	Savings with Aetna
Annual premium	\$497	\$382	\$115
Annual deductible	\$295	\$195	\$100
Annual co-pays	\$928	\$576	\$352
Totals	\$1,720	\$1,153	\$567

So my wife plans to sign up for Aetna Medicare Rx Essentials (S5810-036) for 2009. The enrollment process takes about 10 to 15 minutes on the phone. When asked if you have other drug coverage, make sure they understand that the Raytheon plan only comes into effect when you reach the gap at \$2700. Medicare automatically changes my wife's plan enrollment from Humana to Aetna effective 1/1/2009—there is no need to contact Humana

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at all to make this plan change as long as it is done in 2008. To improve your chances of a smooth change in plan enrollment, try to complete your enrollment by the first week of December.

Comparison of 2009 plans—Florida

The plans offered in Florida differ from those plans offered in Mass., but the comparison process is the same. Our retiree has mostly generic Rx’s with one brand drug. His top 3 plans from an annual cost basis for a 90-day supply via mail order are:

Humana PDP Enhanced	Prescriba Rx Bronze Pennsylvania Life	Blue Medicare Rx Option 3
\$917	\$952	\$955

Our Florida retiree’s wife, on the other hand, has mostly brand name Rx’s and one generic. Her top 3 plans from an annual cost basis for a 90-day supply via mail order are:

Medicare Rx Rewards Value (UniCare)	AARP Medicare Rx Saver	Sterling Rx (Sterling Life)
\$5,223	\$5,260	\$5,277

However, if she stayed in the Humana Standard Plan, her total annual cost in 2009 would be: \$11,429!

Please understand that these plan comparisons may vary depending on your list of Rx’s and your state of residence. So, please run your own analysis using the Medicare website and the steps listed on page 13. If you are unable to use a computer, perhaps your local Senior organizations can help by running your Rx list through the Medicare website plan comparisons for you.

MEDICARE WEBSITE STEPS FOR COMPARING MEDICARE D PLANS

- www.medicare.gov
- Select: Medicare prescription Drug Plans–2009 Data
- Select: Find & Compare Plans
- Select: Begin Personalized Search (generalized search also works)
- Enter requested information, then continue
- Select “enter your drug information.”
- Entering your drugs: search for a drug, highlight it, then click add to list.
- Press continue, then click add more drugs, repeat until all drugs listed.
- On the next screen select the dosage & number you take per month (30, 60, etc.)
- **Save your list** with an access # and password—for future reviews.
- Next screen asks for a preferred pharmacy or not, select no.
- Press continue, and a list of plan comparisons will show 2009 cost per plan.
- Click the name of a plan for more details & monthly costs for 2009.

Personal Safety for Retirees

Barbara Beaudoin

Raytheon retirees have experienced and survived many of life's common hazards: childhood bullying, sports injuries, automobile accidents, serious illness, and warfare. By now, you're invincible—right? Maybe not. Did you feel a little uneasy as you read about an elderly woman who was seriously injured when she was assaulted by a purse snatcher, or a recent *Boston Globe* health column reporting that 341 elderly men and women in Massachusetts died from falls in 2006?

Perhaps it's time to explore measures that will increase your chances of aging safely. Seniors need to be aware of physical safety issues at home, in their neighborhoods, and while traveling. Learn to recognize telephone and e-mail scams, and possible criminal activity in mail order, financial investments, and charity solicitations. Scrutinize your home for hazards. Carpets can be killers. Tripping on scatter rugs and frayed carpets is common and

avoidable. Some medications cause dizziness, drowsiness, or mental confusion, leading to needless injuries. Ask your physician or pharmacist to evaluate the safety of your currently prescribed medical regimen. It's easier to prevent accidents than to endure their recovery.

Physical elements—diet and nutrition, flexibility, balance, and strength training—and mental agility—cognizance, communication—are factors that affect your well-being in all stages of life, but undeniably influence your independence. Fear of injury can be an unfavorable, paralyzing emotion that keeps you from enjoying activities and exploring new interests. Take a “refresher course” in common sense to incorporate safety habits into your lifestyle and increase your self-confidence. Never give out personal information to strangers—online, on the phone, in surveys, mail, or in person. Don't invite strangers into your home for any reason, and install timers and motion sensors to surround your home with adequate lighting as needed.

If you frequently travel after dark, be cautious:

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* **Do:** Plan ahead—know the name, address, and phone number of your destination. Let others know of your travel schedule. Travel with trusted friends or use familiar public transportation. Carry a cell phone or use a previously arranged method of communication.

* **Do:** Trust your instincts. If you suspect you're being followed, go to an open business, a house where the lights are on, or the nearest police station.

* **Don't:** Walk alone at night—always carry a flashlight, even in a familiar neighborhood. Unexpected debris or uneven surfaces in the road or walkway can cause tripping or falling.

* **Don't:** Take unfamiliar shortcuts—whether on foot or in an automobile. Always know where you are and where you're going.

Physical weakness, vision loss, and hearing impairments can restrict your ability to perform home maintenance tasks. If you must hire outside help, choose wisely to avoid fraudulent contractors. Solicit several bids for any project. Compare prices, terms, and materials lists and

select someone whose work is recommended by trusted friends. Never consent to work offered by someone canvassing your neighborhood for customers, even if the price is tempting. Use personal referrals to locate trustworthy cleaning personnel.

Your local senior center is an excellent resource for programs and information on many common issues facing older retirees. They can offer help with transportation issues, home maintenance, health checkups, and workshops on physical fitness along with social and emotional support. Most support is available for little or no cost. Ask friends to refer legal and financial professionals or consult your local council on aging office or senior center. Avoid unknown advisers whose guidance can be more to their benefit than yours.

Learn how to become an active partner with your local police department. Nationwide, many communities offer the Senior Police Academy program, such as the one administered by the Metropolitan Police Department in Washington, D.C. A twelve-week program explains police procedures and operations,

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emergency preparedness, and volunteer opportunities in crime prevention. Students attend workshops in personal and home safety, how to avoid becoming a victim, and how to establish a Neighborhood Watch program to fight crime.

Recent natural disasters—earthquakes, floods, wildfires, and tornadoes—highlight the necessity of consulting with family members and neighbors to deal with emergencies. Devise plans incorporating measures for first aid, communications, and safe shelters and be sure everyone knows the details. Massachusetts Emergency Management Agency (MEMA) suggests readying a disaster kit including canned goods, bottled water, extra medications, portable radio, flashlight, and extra batteries. Check supplies periodically to maintain effectiveness.

Generally, all seniors can improve personal safety by practicing a healthy skepticism of the “great deal,” “easy profit,” and “quick fix.” For example, if your travel plans are sadly and irreparably ruined by an unscrupulous

travel agent who takes your money without providing promised services, report it to the office of consumer protection and issue warnings to others via Internet travel site message boards.

And if you do fall prey to a scam, report it immediately to police, the state attorney general or consumer protection agency, and trusted family members. Don't keep it a secret because you're embarrassed. Establishing a neighborhood telephone tree is useful for alerting residents that an unknown person is canvassing the area, or that a home invasion or robbery has occurred nearby. Any suspicious behavior is cause for further investigation; don't hesitate to ask the police for help.

And . . . you may have noticed that communication is an essential element in elder safety. Remain active in social and community groups, schedule frequent contact with your family and neighbors, and if necessary, enroll in an emergency response service featuring an in-home monitor for help with a sudden medical crisis. These steps will reward

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you with peace of mind and reassurance that any help you need will be there when you need it.

*Federal Trade Commission,
Office of Consumer Protection
<http://www.ftc.gov/bcp/consumer.shtm>*

*Massachusetts Attorney General
Consumer Hotline 617-727-8400
Elder Hotline 1-888-243-5337*



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SIMPLY MEDICARE

Bob Hamilton

This article is intended as a brief overview of the types of plans available to typical retirees. It does not include the “fine print” or the special cases and restrictions, so read and understand the documents provided for a plan you are considering.

This information was summarized from data provided by Tufts Health Plan Brochures

There are three basic kinds of plans available to the retiree as seen below in Table 1—Medicare Based Plans.

Medicare	<p>Medicare is available to all people who are at least 65 years old as well as some who are younger through disability.</p> <p>Medicare is managed by the Federal Government. You typically pay a portion of the cost for each service received in addition to any monthly fees.</p>
Medicare Supplement Plans	<p>Medicare Supplement plans are private insurance policies that may be purchased in addition to Medicare coverage.</p> <p>Supplement Plans typically provide coverage where Medicare may leave a coverage gap.</p> <p>Separate prescription plans are available to also provide prescription drug coverage.</p>
Medicare Advantage Plans (like HMO, PPO & PFFS)	<p>Medicare Advantage Plans include Health Maintenance Organizations, Preferred Provider Organizations, and Private Fee-for-Service Plans.</p> <p>If a Medicare eligible individual is enrolled in a Medicare Advantage plan, Medicare services are covered through the plan rather than directly through Medicare.</p>

Medicare itself is divided into four basic parts.
They are shown below in Table 2—Parts of Medicare.

Medicare Part A	Hospital Insurance	Inpatient hospital care as well as other skilled care in a nursing facility. Usually there is no monthly premium.
Medicare Part B	Medical Insurance	Doctor services and outpatient care. Requires a monthly premium.
Medicare Part C	Medicare Advantage Plans	Combines Medicare Part A and Part B and sometimes Part D. Managed by approved private companies. Companies charge various premiums.
Medicare Part D	Prescription Drug Coverage	Helps pay for prescription drugs. Stand alone or included in some Part C plans. Requires a monthly premium.

Medicare Supplement plans are available from Raytheon or on the open market. See Table 3 below—Medicare Supplement Plan:

Medicare Supplement Plan	You can purchase one in addition to Medicare to fill the gaps not covered by Medicare alone.
	Raytheon contributes to a portion of the cost for plans they provide.

The most common types of Medicare Advantage Plans are shown below in Table 4—Medicare Advantage Plans.

<p>Health Maintenance Organization (HMO)</p>	<p>HMOs provide a network of doctors, hospitals, and other providers. Members must use doctors and services that are part of the contracted network of the HMO.</p>
<p>Preferred Provider Organization (PPO)</p>	<p>A PPO plan also includes a network of doctors and hospitals. Members are not required to see doctors only within their provider's network. Seeing doctors within the network, however, will generally cost less than seeing doctors outside of the network. In a PPO, members don't need to get a referral to see a specialist.</p>
<p>Private Fee-For-Service (PFFS)</p>	<p>A Private Fee-For-Service plan, allows members to visit any Medicare-approved provider who agrees to accept the plan's terms and conditions of payment. Your preferred doctor or hospital is not required to agree to accept the plan's terms and conditions, and thus may choose not to treat you, with the exception of emergencies.</p>

Enrollment periods are shown on page 21 in Table 5—Enrollment Periods.

<p>Enrollment Periods for Medicare Part D and for Medicare Advantage Plans: November 15—December 31 of each year</p>	<p>For anyone wishing to join a Medicare Advantage or Prescription Drug plan or switch to a different plan. Coverage will begin on January 1 of the following year.</p>
<p>Open Enrollment Period : January 1–March 31 of each year</p>	<p>Anyone already enrolled in a Medicare Advantage plan can switch to a different Medicare Advantage plan with similar drug coverage. During this period anyone with Original Medicare and a Prescription Drug plan can switch to a Medicare Advantage plan with similar drug coverage.</p>
<p>Special Enrollment Period: April –November 15</p>	<p>Individuals may be able to join or switch plans if they qualify—based on certain circumstances, such as qualifying for extra help or moving out of the plan's service area.</p>
<p>New to Medicare</p>	<p>Enroll anytime up to 3 months before their 65th birthday, the month of their 65th birthday, and 3 months after. If an individual is eligible for Medicare based on disability or permanent kidney failure, their initial enrollment period depends on the date of their disability, or when their treatment plan began.</p>

Those that are eligible to join a Medicare Prescription Drug plan and choose not to enroll, may have to pay a late enrollment penalty when they do join.

Basic Part D coverage will cover yearly drug costs up to \$2,700. If a person's costs for prescription drugs during the

year goes over \$2,700, they are responsible for 100% of their prescription drug costs until their total out-of-pocket drug costs reach \$4,350. This period is known as the coverage gap.

Digital Television

Bob Hamilton

On midnight February 17, 2009, all television stations will broadcast only in digital format. If you are using an antenna as opposed to cable or satellite, your present analog TV will no longer be able to receive programs.

Unless you decide to subscribe to paid cable or satellite services or purchase a new TV, you will have to purchase a TV converter box that plugs into your existing TV to continue using it. The TV Converter Box costs between \$40.00 and \$70.00, and one is required for each TV. You can get a government coupon (for up to 2 TVs) each worth \$40.00, that can be applied to the cost of the TV Converter boxes. To obtain the coupons:

- 1) Apply online at <https://www.dtv2009.gov/ApplyCoupon.aspx>.
- 2) Call the Coupon Program 24-hour hotline at 1-888-DTV-2009 (1-888-388-2009).
- 3) Download a coupon application at https://www.dtv2009.gov/docs/Coupon_Program_App_en.pdf, and fax the completed application to 1-877-388-4632.

You have until the end of March 2009 to request coupons. This information was extracted from an article by Mary Hunt in "Everyday Cheapskate" on 8/4/08.

Talk from the Back of a Barn

Tom Sheehan

These were more than echoes, the soft sounds I was hearing from the rear of the barn sitting back from Route 182 in Franklin, Maine, half a dozen fat pigs to one side, corn as deep as Iowa on the other side, and the terrain across the road flush with blueberry bushes until a slow rise tipped the landscape in its favor . . . and in mine. In my son Tim's favor, too. He lives beside this barn. Perhaps I had been waiting for its sassy voice.

There, in his barn, I was listener as well as watcher. Maine mornings are as placid and as huge as glaciers, and crawl into the mind through the senses. But there you have it: Maine mornings are also like Maine barns, always having something to say to you, never taking no for an answer, shaking you awake by the scruff of the neck. These wooden memorials to sweat, old times, another life, crept into my notes years ago, promising poetry at first. Now they creep out again, touching memories of the times I

sought the open road.

I have seen barns announced by Bull Durham signs, or slabbed vertical boards twisting long signatures, saying how long they've been at the job, squared edges gone to age. At another glance a ridgepole bends under duress, draws down to implosion and compelling attraction. Maine barns have their own legends. Every one of them leaps at me, from Kittery to Fort Kent, from Eastport to Westford, from Calais to Kezar Falls.

Tim's barn was once *the* schoolhouse in Franklin; and was called the Ryefield School. Gentled by the slow, steady, plodding rough draft of 100 oxen, it was dragged from its first setting to the land he now farms there, below the Little League Field. It houses a home-made 50-gallon-drum stove, a tractor for all purposes, a Harley motorcycle past its prime, tools a collector would love because the labor expended with them is almost visible to a keen eye. And leather goods have hung so long on one wall that their legends are inscribed vertically, traces inked for eternity. On a wide-planked bench taking up one whole wall,

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sits the old Jonsered chainsaw I used for twenty years in the Topsfield State Forest fighting the cost of oil; my gift to Maine winter and a warm hearth. It still operates with a vengeance, but now with a 20-inch blade. I have passed my former strengths to Tim.

I've often wondered how many *McGuffey Readers* had passed through this old barn on the way to intelligence, awareness, imagination, above and beyond 'ritin, and 'rithmetic? That revelation, I am sure, would take the highest art of contemplation.

From its stalls, its storage bins, its freezer against one wall standing like an icon, has often come every bite of a meal at his table. Squash stuffed with sausage, sweet and regular Maine spuds, green beans so thick they could choke you, tomatoes red as Old Glory, ham in slices so thick they seem without end, and once salty enough to have been dragged through the surf a few miles away. I think now

of apple pie tossed with a thickly spun heavy cream that takes your breath away.

Some barns you come across on these roads know how to kneel without being melancholy about it. Tim's barn does, looking over its shoulders, sighing or whispering. Beams, long checked since their greenery, seams at log lengths, remain as strong as the tree they were sprung from, tolerating much that is happening to them. They host sly armies of creeping squadrons, dragooned columns gnawing away at time, flighty creatures busy as downtown Saturday nights, ceding fathoms to dark hungers. The warp and twist of checked timbers sit silent as bones. They cling together, and eventually heave into morning another night of survival. It is why I love old Maine barns.

Yet, the straggled barns en route fall down slowly, their joists, their hoof-thinned grasping planks. In the fading summer lofts there are dreams to rediscover. After all their times, barns have a right to keep up their odors, their

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signatures, the silence in the mows, their secrets in check.

A poet friend says his barn accepts the grace of early evenings. He swears that miniature shadows stroll cautious as kittens out of hay-golden eaves and says his father's great gray horse, Humboldt by name, froze standing up in '38. That magnificent creature, leg broken, heart-heaving, brought the gentleman safely to his final bed. Only the barn remains. Old age has captured everything else except the barn revolving axially above him. Where knots continue to fall, stabs of light slant through a dark planetarium, stars thrusting themselves down knotholes, where you'll occasionally find one if you're stock still in your tracks and breathless. Or where a dozen knot holes pinpoint a constellation and long against morning light reveal the true north.

I envy his memories.

I know when they finally die, move to a newer century, these hallowed structures settle deeper in the earth. Barns of

this size, kneed in the groin by too many January storms, sucker punched, wet from too many Aprils, August retreats from fire, always show age; but it's stylish, classy, the way blue ribbons are worn, proud, head high, a look straight into the eye. Yet it's often where a mole tortures underground, a host of bats hangs above like gloves out to dry in dim light, and in the twisted in-roads the termites, carpenter ants and dust beetles chew slowly the cud of oak sills or risers. And through once-green pine, stippled, full of eyes where knots continue to let themselves down, the square nails, blunt as cigars, are suddenly toothless.

For all the standing still, there's action, warming, aging, the bowing of an old Maine barn, the ultimate genuflection we might miss if we don't pause on the road, take a breath, smell the old barn itself beside beds of roses.

You can bet, those barns talk back to listeners.

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Tom Sheehan

Tom Sheehan's *Epic Cures*, short stories from Press 53, won a 2006 IPPY Award. *A Collection of Friends*, from Pocol Press, was nominated for Albrend Memoir Award. *This Rare Earth & Other Flights*, poems, was issued by Lit Pot Press in 2003. He has nine Pushcart and two Million Writer nominations, a Silver Rose Award from American Renaissance for the Twenty-first Century (ART) and the Georges Simenon Award for Excellence in Fiction. His novels include *Vigilantes East*, *Death for the Phantom Receiver* and *An Accountable Death*. Coming from Press 53 this year is *Brief Cases*, *Short Spans*, a short story collection, and ready for the publisher is *From the Quickening*, more short stories. With former teacher John Burns, he has

co-edited two books on his hometown of Saugus, sold 3500 to date of 4500 printed. He retired in 1990. He meets again soon for a lunch/gab session with pals, the ROMEOS, Retired Old Men Eating Out (92, 80, & 79,). He can hardly wait. His pals will each have one martini, he'll have three beers, and the waitress will shine on them. Other info on Tom is available at

<http://www.press53.com/BioTomSheehan.html>



Subject:
Raytheon In The News

**Ground Control System
For The Predator**

Raytheon has developed an advanced ground control system for US Air Force to address mission capability needs for the Predator unmanned aircraft system. Their unsolicited bid will address significant decreases in required aircrew manpower, faster training and reduced errors attributed to human interface. It also enables more aircraft to be controlled by the same number of operators. The company says it can produce the system in less than 12 months and predicts that during the next 10 years it can save the Air Force more than \$ 500 million.

**Defense Department
Honors Raytheon**

A radar warning receiver that equips the US Navy F/A-18E/F has earned Raytheon and its Navy partner a Performance-Based Logistic Award from the Office of the Secretary of Defense. The citation recognized the "superb efforts" of the team in meeting the terms of a

\$150 million contract for the ALR-67(V)3 receiver. The receiver offers sophisticated digital technology to detect and identify radar emitters. Initially deployed during Operation Iraqi Freedom, the system has been chosen by several international Air Forces. This is the third consecutive year Raytheon has received a performance-based logistic award.

**Missile Systems Received A
Perfect Score**

The missile system business recently completed an Earned Value Management Systems compliance by the Defense Contract Management Agency. DCMA auditors found that Missile Systems passed all 32 guidelines. "Missile Systems is the first defense contractor of its size to achieve such success and is now a benchmark for the industry" said Dr. Taylor W. Lawrence, president of Raytheon Missile Systems. Milestones included an EV training and certification program, developed an integrated automated tool suite for all programs, deployed an internal surveillance approach to assess and improve schedules, and licensed an automated scheduling tool to contractors.

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Contract Award

The United States Army awarded Raytheon an \$85.3 million contract to produce Tactical Excalibur Projectiles for the US Army, US Marine Corp and the Australian Defense Forces. Excalibur, a co-operative effort between Raytheon Missile Systems and BAE systems Bofors of Sweden, is an artillery projectiles that provide precision-strike capability at extended ranges for current and future 155 mm Howitzers. Excalibur is the only precision projectile from the US Army, USMC, and the Canadian Howitzers. The objective Excalibur has a 25-mile range that demonstrated better than 33-feet accuracy.

Raytheon Loses Bid To Avoid State Sales Tax

The company unsuccessfully tried to persuade a Massachusetts state tax board that because most of the company's work is done for the Federal Government it should be exempt from paying state sales taxes on much of what it buys here. The company is already exempt from paying taxes on many items it

purchased specifically for the Federal Government such as computer chips, and metal sheets used in making missiles but Raytheon said it should also be free from paying state sale taxes on its general overhead expenses. The company estimated that more than 81 percent of its work was for the Government in 2001 and 2002, therefore it deserved a refund of 81 percent of the taxes it paid on overall expenses—about \$700,000 plus interest.

In a recent ruling the Mass. Appellate Tax Board denied the request, ruling the expenses, including snow removal and catering services, were "Incidental" to the government contracts.

2nd Quarter Financial Highlights

Raytheon reported earnings of \$426 million for the 2nd Quarter 2008. This was down from \$1.3 billion in the 2007 2nd Quarter which was high by \$1.0 billion due to the sale of the aircraft division. Sales

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rose 11% to \$5.9 billion attributable to programs such as missiles and laser guided bombs.

The company raised its outlook for the year to between \$3.80 and \$3.95 per share, an increase of 15 cents. Sales are expected for the year to be approximately \$23 billion.

Successful Integration

Raytheon's surface-launched medium range air-to-air missiles successfully completed system field integrations demonstrating interoperability with both Patriot and Avenger Weapon systems. Avenger fire units with stinger missiles under the SLAMRAAM command and control received targeting data directly from the system, allowing precise slew to cue of the gunner turret to targets. SLAMRAAM and Patriot exchanged and displayed unit position and air track data to form a common operational air picture between the two air defense systems.

Best Invention

The U.S. Army selected Raytheon's Excalibur as a best

invention of 2007. Excalibur precision-guided artillery projectile received a top 10 Army Greatest Inventions of the Year Award for 2007. Excalibur is a 155 mm Artillery projectile guided by a GPS/Inertial Navigation System. It gives soldiers an artillery round with precision guidance and extended range.

Senators Decry Navy Decision

Senator Kennedy and numerous other senators launched a counteroffensive against the Navy's decision to scrap a \$20 billion destroyer program that was to deliver huge contracts to Raytheon and Bath Iron Works. They want the Navy to provide more explanation as to why it won't buy more of the DDG-1000 Zumwalt class of ships after the first two are finished around 2014. Once known as the "DD-X" design, the Zumwalt class is known for its low-profile, radar evading hull. The ships are packed with advanced electronics that allow them to be operated by a crew of 142, far fewer than for traditional destroyers.

(Source for Raytheon news: raytheon.mediaroom.com)

Just So You Know: We are looking for regional reporters to provide information on new retirees, retiree activities, events, and unfortunately about the loss of our co-workers and fellow retirees. How about letting us know about regional social events?

Association of Raytheon Retirees, Inc.

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Email:
raytheonretirees@verizon.net

We are on the Web
raytheonretirees.org

These resources may be helpful:

Social Security Office: 1-800-772-1213; TTY 1-800-325-0778
Medicare: 1-800-633-4227; TTY 1-877-486-2048

Massachusetts Office of Medicaid: 1-617-210-5000
Medicare Web site: www.medicare.gov

The 2009 Medicare D, 2009 plans are now available at:
<http://www.medicare.gov/>

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