

Naval Reserve Association



January 2005,
Volume 52, No. 1

NEWS

2004 Income TAX TIPS For Naval Reservists

2005 PAY TABLES

Global War on Terrorism

To all who see these presents, greetings,
The Naval Reserve Association hereby recognizes and commends

SW1 LINDON HAWORTH, JR., USNR

for honorable service in the Global War on Terrorism. As one of thousands of men and women who have responded to our Nation's call to duty, you have made a selfless dedication to support and defend the United States of America from a deadly enemy. Your contributions will help preserve the safety and security of future generations of Americans. Thank you for a job well done!


 National President


 National Executive Director

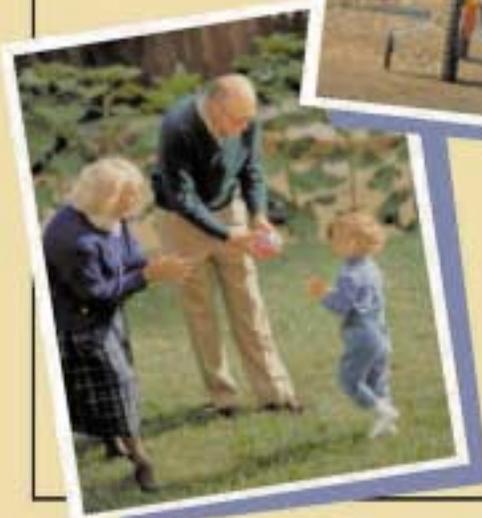
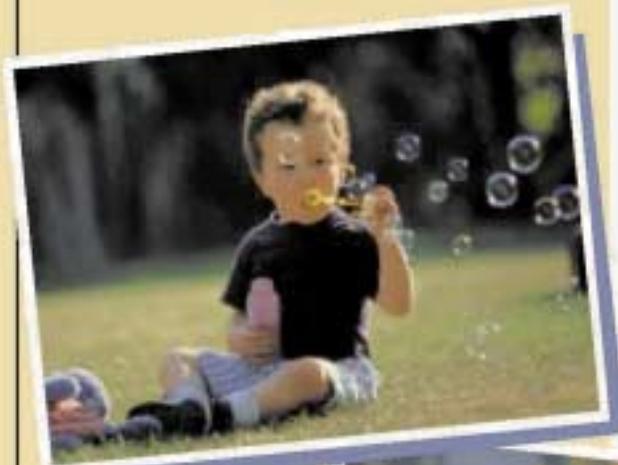
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The Premier Professional Organization for Naval Reservists,
Committed to Supporting a Strong Navy and National Defense,
While Providing Outstanding Service to Its Members.

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— LT Marc J. Soss, SC, USNR

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ON THE COVER

CDR Monica Allen, SC, USNR, has created the art work for the Global War on Terrorism certificate and donated it to the Association so that we can recognize all Naval Reservists who have been mobilized since 9/11. Petty Officer First Class Lindon Haworth, Jr., USNR, a Seabee whose name appears on the certificate is recovering from wounds received in Iraq.

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From the *Editor*

Happy New Year!

In a town where everyone seems to take credit for each new entitlement or benefit, the Naval Reserve Association once again proudly claims title to producing a mobilization certificate to recognize the sacrifices of Naval Reservists in the Global War on Terrorism. The Association produced and distributed such a certificate during the Gulf War back in 1991 and it was very well received. Our President lets you in on the plans and also introduces a very giving and talented artist to you. CDR Monica Allen, SC, USNR, is one of the three Navy combat artists, and we are indeed privileged to have her on the NRA team.

As we have for every year since 1975, this is our annual tax issue. LT Marc Soss has put a lot of time, effort, and research into his tax article; and I know it will be helpful to you. Like CDR Allen, we are also privileged to have LT Marc Soss as a National Officer of the Association and frequent contributor to this magazine. Where do we find such people? I'm not entirely sure, but I am very thankful for the contributions of the other columnists (CDR Phan, CAPT Hardy, RADM Andrus) who month after month present meaningful information for you our readers.

The outlook for 2005 for Naval Reservists is continued mobilizations at even higher levels than in 2004. VADM Cotton is reminding all Reservists of what President Bush said, "Be ready!" At the same time that these Reservists are stepping up to the plate, thousands of billets have been marked for deletion by those in Navy who put the budget together for FY06. We hear that over the next two years the NR end strength will be reduced by 20 percent. We also hear that the number of Reserve flag officers will be reduced from 48 to something under 40. We also hear that BRAC data calls are complete; and it looks as though the Naval Support Activity New Orleans, NAS Atlanta, NAS JRB Fort Worth, and NAS JRB Willow Grove are prime for closure.

Word has reached us that a NR unit Executive Officer filed an Article 138 against the unit Commanding Officer for failure to complete fitness reports on the officers in the unit. The investigating officer found that the allegation was founded and the CO was relieved of command by the ISIC (immediate superior in the chain of command). When officers are not getting promoted because they are missing FITREPS, sometimes this is the only avenue of redress and that is indeed unfortunate. Such was the case in this instance, and I salute the XO for having the courage and fortitude to do what he did for the officers in the unit.

I was taken to task recently, and rightly so, by a very irate veteran with 39 years of service for allowing the last issue of this magazine to be published without remembrance of all those who were killed or injured in the attack on Pearl Harbor. As I was told several times, those who cannot remember the past are condemned to repeat it. I live with that thought and have set a New Year's resolution to do better.

As always, enjoy the read. And, thank you for your membership.

Best regards,



Steve Keith

Looking Ahead

February 2005. An informational guide for new Naval Reservists by CAPT Tom McAtee.

March 2005. We will feature the Naval Reserve Intelligence Program.

April 2005. Legislative updates from SAC/HAC by CAPT Ike Puzon.

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*Deceased



Global War on Terrorism Recognition Certificates

Our historian, CAPT John Rice, reminded us at a conference about the Gulf War certificates that the Association presented in the early 90's and recommended that we do it again for the Global War on Terrorism. His recommendation was unanimously adopted, and we went to member artist, CDR Monica Allen (photo below), for the design that



you see on the front cover. We are now in the process of finding a printer and project that we will have all the material to produce and mail certificates by April.

Member and nonmember Naval Reservists will be eligible to receive the Naval Reserve Association Global War on Terrorism certificate with presentation of a copy of mobilization orders; award of the GWOT Expeditionary or Service Medal; or the Armed Forces Expeditionary Medal; or the Armed Forces Service Medal, if awarded for operations to combat terrorism on or after 11 September 2001. A complete listing of eligibility criteria and application procedures will be promulgated next month.

CDR Monica Allen is one of three Navy combat artists. The Navy Combat Art Program was founded in 1941 and artists were used in World War II, Korea, Viet Nam, and the Gulf War. She has painted in Yugoslavia for the Navy Historical Museum and the Navy Art Foundation; documented Commander Fleet Air Mediterranean's operations as we went into Iraq; and, most recently, painted wounded personnel at Walter Reed Army Hospital. A sample of her work is shown below.



CDR Allen lives in France and drills with the Volunteer Training Unit at the Navy Historical Center in Washington, DC. She volunteered her time and donated the original art work to the Association and dedicated it to those Reservists who have served in the Global War on Terrorism. To which I ask, where do we find such women? Many thanks, Monica!

John Eric Lindell

Naval Reserve Association 2005 Conferences

Spring 2005 Conference - Kansas City, MO; 22-24 April 2005

Four Points Barceló Hotel Sheraton; Tel. (888) 627-8178

Fall 2005 Conference - Phoenix, AZ; 6-8 October 2005

The Sheraton Crescent Hotel; Tel. (602) 943-8200



CAPT Ike Puzon, USNR (Ret)
Director of Legislation

Recently, along with the entire membership of The Military Coalition (TMC) and the National Military Veterans Alliance (NMVA), we actively participated and lead the effort to secure Employer Tax Credits of activated Guard and Reserve members. As you know, that effort came up short because the House Ways and Means Committee leadership would not reintroduce the Senate-amended bill. But, we must readdress this issue again in the 109th Congress. We need your help, and your employer's help, to get this issue passed. It is important, and we can get this passed with more grass roots involvement. There is strong Senate and House support for these provisions. They have passed in the Senate once! We will keep you updated when the legislation is reintroduced; please get involved.

The original provisions that we are still strongly supporting are:

- > A tax credit for employers continuing to pay activated Guard and Reserve employees, with a cap of \$30,000 (\$15,000 credit) per employee.
 - The credit would cover salaries paid on days when the employee is activated for up to two years to cover the entirety of the deployment;
 - The credit rewards those employers already going above and beyond what the law mandates; encourages more employers to do so; and alleviates strains on Guard and Reserve families; and,
- > A \$6,000 credit to help small business owners hire temporary workers to fill in for activated employees and a \$10,000 credit for small manufacturers to hire temporary workers.

Regarding your current job, as a uniformed service member, you have rights under the Uniformed Services Employment and Reemployment Rights

Your Job Is Secure with USERRA

But, We Need to Help Employers

Act (USERRA), Title 38, Chapter 43, United States Code. Under USERRA:

Your Rights:

- ✓ Military leave of absence (up to five years of voluntary service).
- ✓ Prompt reinstatement into your job.
- ✓ Accumulation of seniority, including pension plan benefits.
- ✓ Reinstatement of health insurance, regardless of preexisting conditions.
- ✓ Training or retraining of job skills, including accommodations for disabled.
- ✓ Protection against discrimination.

Your Responsibilities:

- ✓ **Before Reporting for Duty:**
Provide prior notice to employer (preferably in writing).
- ✓ **While Performing Duty:**
Serve under honorable conditions.
- ✓ **After Release from Duty:**
Return to work in a timely manner.
- ✓ **Reemployment Timetable:**
 - Less than 31 days of service –**
Report next work day after safe travel home and 8 hours of rest.
 - 31-180 days of service –**
Apply for reinstatement within 14 days of release from active duty.
 - Over 180 days of service –**
Apply for reinstatement within 90 days of release from active duty.

How to Resolve an Employment Issue:

- You can take several actions to resolve an issue. One of the following actions will help solve any problem that arises;
- > Inform your unit/military chain of command.
 - > Contact ESGR (1-800-336-4590, <ncesgr-ombud@osd.mil> or <www.esgr.org>).
 - > If not resolved, contact the Department of Labor (1-866-4-usa-dol or <www.dol.gov>).
 - > May consult a private attorney (at own expense, precludes ESGR assistance).
 - > The Naval Reserve Association can assist, if necessary; and do not forget your Congressional reps.

Naval Reserve Association legislative priorities

for the 109th Congress depend on your input. Short of your input, we will follow our NRA Resolutions. Please provide any input you desire for the 109th Congress. These are some of the priorities we are working, but they are not all inclusive and not in any priority:

- > Full funding for VA Health.
- > Seek timely and comprehensive implementation of legislation which authorizes the concurrent receipt of uniformed services retired pay and VA disability.
- > Promote initiatives to address military construction needs caused by realignment of service members and families through BRAC 2005 activities.
- > Health care for RC members and their dependents – full participation.
- > MGIB-Selected Reserve enhancements; raise Reservists GI bill benefits to the authorized 47 percent benchmark.
- > Support ongoing efforts to reduce the qualifying Guard/Reserve retirement age from 60 to 55.
- > Full support and briefings for the Commission on Guard and Reserve.
- > And, tax credits for employers of Guard and Reserve members.

These are just a few of the issues we will be working hard to move forward. If you have comment, additions, or deletions, please e-mail us as soon as possible at <legislat@navy-reserve.org>.

NOTE: Other Helpful Web Sites:

- www.usmilitary.about.com/od/sscra, Service members Civil Relief Act (SCRA).
- www.militaryonesource.com, on-line counseling, information, and resources.
- www.sba.gov/vets, information for small business owners.
- www.soc.aascu.org, information for college students.
- www.tricare.osd.mil/reserve, information on TRICARE coverage.
- www.esgr.org, information USERRA, and how to show reorganization for employers. ↴



CDR Sharon K. Kleinschmidt, USNR (Ret)
National VP for Retired Personnel

President Could Transform the Travel World (Humorous)

Now that the election for the U.S. President has been decided, my monthly pinochle card group, Tina, Gladys, and I, lashed out some campaign issues we would have used to sway the voter.

We thought you may agree or disagree. Since we are all frequent travelers (and you probably are, too), these were issues we felt we would promise if we were president:

- Ensure that every working man and woman receives on month of vacation a year.
- Strengthen airport security while reducing the amount of time it takes to get through it.
- Allot funds to make the necessary improvements to our ailing national parks.
- Give Amtrak all the money it needs to

become a sleek, efficient, and affordable means of transportation.

- Make every beach in the country a free, public-access beach.
- Introduce the teaching of foreign language beginning in first grade.
- Oversee the return of meals to all flights longer than 30 minutes.
- And those earphones you pay for? They're on me.
- Discuss with our British allies the possibility of free passage on the Queen Mary 2 for any young American who lives, studies, or travels abroad for at least one year.
- Convince the manufacturers of suitcases to come up with a new black.
- Ask the Historic Hotels of America to offer a 50 percent discount to anyone who ever got an "A" in history.
- See to it that every foreign visitor to this country, after getting photographed and fingerprinted, is given a Toll House cookie.
- Offer tax breaks to any restaurant that

uses those paper place mats that double as state maps.

- Gather the best minds from the National Institutes of Health, and see if we can finally find a cure for jet lag.
- Prohibit from boarding any plane, train, or bus male passengers past puberty who are wearing sleeveless shirts.
- End the absurdity of a one-way ticket costing more than a round-trip fare.
- Make it illegal for any hotel to place *USA Today* outside its rooms when a perfectly good local newspaper is available;
- Remove every other row in coach on domestic carriers, and strongly urge the world's leaders to follow my lead.
- Push through Congress a bill mandating that passengers who don't fit their carry-on bags into the overhead compartment on the first try must turn said bags over to a flight attendant and, before landing, write letters of apology to all the people seated in rows higher than their own.
- Approve discounts on Prozac for flight attendants. 📄

IMPORTANT NOTICE

SUPPLEMENTAL SURVIVOR BENEFIT PLAN (SSBP) PREMIUMS END

Those retired members over age 60 who were having the SSBP premium deducted from their retirement pay will soon get an increase in retired pay. Why? Because effective 1 November 2004, the SSBP premium will no longer be deducted from their retired pay. But there is more good news. Even though the premium ceases, the supplemental coverage they originally elected will continue. The end of the SSBP premium and continued coverage were both part of the Survivor Benefit Plan legislative changes enacted by the FY2005 NDAA. The most significant of these changes was the end of the social security offset. After 1 April 2008, survivor annuity, regardless of age, will be 55 percent of the insured retired pay amount.



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National VP for Professional Development

Writing to a Selection Board

The FY06 selection board season is getting underway, and as always, it prompts a flurry of last-minute correspondence. Here is guidance on how to write effective letters to a board.

One may ask, does writing a letter to a board improve one's chances for promotion? Possibly, but only if it provides important missing information. In most cases, the best letter to a board is no letter at all. Sailors who review and correct their official records in advance do not need letters. Nonetheless, there are times when a letter is important.

Limit correspondence to only those items that are relevant to the promotion decision, such as missing fitness reports (FITREPs), awards, photographs, Naval Reserve Qualification Questionnaires (NRQQs), etc. Third-party correspondence (e.g., a letter of recommendation) is permitted, but only if the officer submits it as an enclosure and requests it be reviewed (third parties may not communicate directly with boards, by law.) Do not include copies of AT orders, travel claims, letters of designation as assistant wardroom mess treasurer, etc. Briefers are required to view every page in a letter to a board. To my knowledge, the record is 121 pages. That officer probably didn't fare very well in the voting.

If there are unusual circumstances in one's career, or if the OSR/PSR doesn't look right, or there are gaps in service,

write a letter of explanation. Keep it brief, and to the point. For example, "I was in the IRR from 1999 to 2001 while providing full-time care to my aged parents," is a reasonable explanation of a gap in service. "I did not request a command assignment as a CDR because I supervise 500 people in my civilian job, and could not devote the necessary time" (might help, might not.) "My performance decreased in 2002 because we had quintuplets." Don't blame anything on the dog, however. An experienced mentor can help identify what can be explained in a letter, and what is simply a matter of record.

Include a cover letter in proper Navy format (some board members are sticklers for this) with appropriate enclosures. Ensure every page contains the correct social security number – preferably in the upper margin. Do not staple correspondence or put sheets in fancy plastic folders – recorders have to scan each page, and this just slows them down. In the cover letter, include birth date in yyyymmdd format – the customer service center (CSC) uses this to activate the personal page on the Stay Navy Web site.

Recognize that any correspondence sent to a board does not update the official record. After the board adjourns, all correspondence is destroyed. Therefore, do not send original documents. Moreover, send copies of board correspondence to the appropriate address to ensure updates are made to the official record.

Correspondence must arrive by the board convening date. See "Get Thee to a Selection Board" (November 2004) for FY06 reserve board dates, or find them at <www.bupers.navy.mil> by clicking on "Selection Board," then "Reserve Officer Promotions." For those who like to mail tax returns at 23:59 on 15 April, note that last-minute correspondence may not reach

a board in time. Additional security measures at BUPERS result in mailroom delays of up to two days. Sending letters by certified or registered mail may incur additional delays. Even FedEx packages have to route through the mailroom. Thus, if mailing at least ten days before the board, the most cost-effective means is first class mail. Although not well advertised, BUPERS will accept last-minute faxes for board correspondence. The fax number is 901-874-2664. Recognize that the line may be quite busy in the last few hours before a board.

Send correspondence to:

President, FY-06 Reserve (Grade)
(Competitive Category) Promotion
Selection Board
Board #xxx
Navy Personnel Command (NPC)
Customer Service Center PERS-00R
5720 Integrity Drive
Millington TN 38055-3130

Because there are nearly 90 boards each year, it's extremely important to include the correct board number on the envelope and the cover letter. Board numbers are listed on the Web page mentioned above. Verify receipt of letters by contacting the Customer Service Center at 866-827-5672 (DSN 882-5672) or <CSCmailbox@navy.mil>.

Effective letters to boards can make a difference. Be brief; write succinctly. Keep to the point. Avoid redundant or superfluous information. Mail early. Floss daily. Ensure your record can be presented in the best possible light. And don't forget to invite me to your wetting down party. Good luck!

Next month: How to update and request copies of your official record. ↵

Do We Have Your Current E-Mail Address?

We take pride in our ability to provide our members with up-to-date legislative, promotional, and retirement information affecting you. With our mass e-mail broadcast, we can immediately keep you informed. In order to receive these updates, please send us your e-mail address to <membership@navy-reserve.org>.



LCDR Phan Phan, USNR
National VP for Junior Officers

Over the past year or so, I have received multiple inquiries from direct-commissioned officers of various designators, via e-mail, telephone, or in person, on how to qualify for warfare pins, such as Naval Flight Officer (NFO) or Surface Warfare Officer (SWO), to name just two. The common factor cited has been either “improved warfighting readiness” and/or “greater contribution to our Navy.” I was glad to come into contact with such motivated and high-energy fellow JO’s. Unfortunately, it has not been either practical or feasible to train for and obtain such full qualifications as part-time Reservists. The odds have been quite unfavorable, if not impossible, to qualify via weekend drills or multiple AT/ADT periods. Typically, one needs be recalled to active duty for several years and assigned to an appropriate command in order to work on one’s warfare qualification, depending on the unit’s mission and platform. Here are some brief but straight gouges on various specific communities:

Aviation: If you’re a supply or medical officer, you might be able to work on and qualify for your own community’s brand of “gold wings” (Naval Aviation Supply Officer or Flight Surgeon). For anyone else who might be thinking about pilot or NFO qual’s: forget it. No time, no money, no resources, nor need of the Navy.

Submarine. Frankly, don’t even think about it. Even Reserve officers who had been previously submarine-qualified on active duty aren’t allowed to set foot back onboard a boat (and these guys have already had “dolphins” on their chests). It’s one of those strict rules about nuclear submarines: once you leave, they don’t let you back. We can hardly even

Warfare Qualifications

perform direct repair or maintenance on a nuclear submarine, let alone driving one.

Parachutist. If you are assigned to an ANGLICO unit (Air & Naval Gunfire Liaison Company), you might be able to go to Ft. Benning, GA, for three weeks, making five successful jumps and earning your “lead wings” (Basic Parachutist). Afterward, if you can make arrangement for several successful free-fall jumps (without static line and, perhaps, into austere environment), then you would earn the “gold wings” of a Naval Parachutist. Be aware, you would be working in very high ops-tempo with typically 20-year-old sailors and marines in the very top physical condition.

Seabee. There are some possibilities and hopes here for CEC officers to qualify for the Seabee Combat Warfare Specialist pin. Again, the training and qualification process would require extended active-duty recall or mobilization, not just weekend drills and a two-week AT period. Similarly, be aware of very high ops-tempo and demanding physical conditions. If your designator is something else other than 510X, then, I wouldn’t even dream about this.

Special Warfare (SEAL) or Explosive Ordnance Disposal (EOD). Why would any direct-commission Reservist think about these options?

Diver. If you are assigned to a MDSU (Mobile Diving & Salvage Unit) or a special ship-repair billet, you could elbow your way into getting a quota to attend Deep-Sea Diving School in Panama City, FL. This would take about six months away from your civilian job and family life, very high energy, mental toughness, and top physical condition to complete. Not everyone graduated from this class at the end; normally, there have been drop-outs along the way for various reasons. Your fellow students would typically be 22-year-old active-duty ensigns starting out in the pipeline to become Special Operations officers (114X). Truly, my hat is off to these divers, both officers and enlisted – doing very hard and dangerous

jobs in deep dark cold water, not very glamorous, not very appreciated by many.

Surface Warfare. Last, but certainly not least, the SWO pin. Besides the Unrestricted Line straight-stick 111X’s, the Supply Corps (310X) and Health Professionals (Medical, Dental, Medical Service, and Nurse Corps) also have their own brand of the “water wings.” The SWO qualification is the most common mainstream warfare qualification but it’s no less difficult to obtain than many other warfare qual’s described above. I’ve been in the Navy Reserve for more than 14 years, and have personally known only one or two direct-commissioned JOs who successfully and fully qualified for the SWO pin. It took them much hard work; persistence; sacrifices in their civilian careers and social/familial life; the right kind of personal resources (gift, talent, physical, and mental strength) and circumstances. Again, it’s a full-time effort over several years not just drill weekends and a couple of afloat ATs.

With all that said, I’d highly encourage any JO to obtain as much operational training and experience as possible at opportunities such as fleet exercises or sea trials. It doesn’t really matter if you won’t ever be fully qualified to wear some sort of a warfare pin on your chest. Whatever portions of watch standing or support services you can provide, whether it is afloat onboard a surface combatant, deployed with an aviation squadron, or working in the field with the Seabees, whatever you see, observe, learn, or prepare yourselves with, you will be in a better position to serve, to integrate, and to contribute much more to our Navy in whatever your designator or assigned billet might be. You would, also have a much greater appreciation for our operational forces – our ultimate customers at the tip of the spear. You’d have first-hand knowledge and experience of their needs, requirements, challenges, way of thinking and doing business, and sacrifices. Reading the newspaper, watching CNN, listening to briefs at seminars, or studying TACMEMO’s in a schoolhouse . . . nothing beats being there. 🇺🇸

FEDERAL RESERVISTS TO RECEIVE BACK PAY

Federal civilian employees who are military Reservists stand to get thousands of dollars in back pay due to a recent court ruling that says they were shortchanged on leave days in the 1990s. But just how far back into the 1990s claims can be made is in dispute. The Office of Personnel Management issued guidance in mid-October to process claims for improperly charged leave from 1998 through 2000. But a New York law firm, staffed by military veterans, says it can and will help process claims going back as far as 1994, using a different legal justification.

Those affected are government employees who are also in the National Guard or Reserve and entitled to 15 days of military leave per year so that they don't have to use regular vacation days to attend drills and training.

On 21 Dec. 2000, Congress changed the law so that only regular workdays would count against military leave.

Four Bureau of Prisons employees subsequently filed suit under a different law claiming they were entitled to back pay for personal leave or unpaid days off they had been forced to use to complete annual military reserve training going back to 1 Oct. 1994, the date the Uniformed Services Employment and Reemployment Rights Act (USERRA) was enacted. The employees claimed that under USERRA, they had been denied a benefit of employment – their personal vacation days – based on their military service. The OPM guidance, dated 18 Oct., can be found at <www.opm.gov>.

COMMISSARY COUPON USE UPDATE

All 273 of the Defense Commissary Agency stores are now accepting computer-generated Internet coupons that meet the following criteria:

- they must have a scannable bar code;
- they cannot be for a free product; and,
- they cannot be photocopied or facsimile-generated coupons.

DeCA and other grocery retailers had stopped accepting home-printed coupons in 3 Sept. 2004 as an interim measure while the grocery industry grappled with losses incurred because of their fraudulent use. Analysts estimated the grocery industry had lost millions of dollars from coupon fraud, which ultimately costs consumers in

the form of raised prices to recoup losses. The agency's Web site, <www.commissaries.com> will reestablish links to Internet grocery coupon sites for the convenience of commissary shoppers.

NAVY FIGHTER WING CLOSES ITS DOORS

Another chapter was added to the F-14 Tomcat history book on 1 Oct. 2004, when Fighter Wing Atlantic officially disestablished its headquarters at Naval Air Station Oceana, VA. Originally established in July 1971 as Fighter Wing 1, the command was responsible for overseeing the operations of the Navy's fighter aircraft at three air stations: Naval Air Station (NAS) North Island, CA; former NAS Miramar, CA; and NAS Oceana.

NEW NAVY INSIGNIA

The Navy is stitching a newly-created "ACE" insignia on the left top pocket of its equally new test uniforms. And for what does the acronym stand? – Anchor, Constitution, and Eagle.

The anchor symbolizes naval service; the *Constitution* is a heraldic nod to the Navy's oldest commissioned warship; and the eagle represents the United States. The ACE insignia adds something "distinctly Navy" to the test uniforms that, along with the blue and gray colors, would identify it immediately with the U.S. Navy, said CNO-designated Command Master Chief (SS) Robert Carroll, head of the 18-month-old Task Force Uniform.

SAMUEL GRAVELY, JR. DIES; NAVY'S FIRST BLACK ADMIRAL

Samuel Lee Gravelly, Jr., 82, a retired Navy vice admiral who made history by becoming the first African American to command a naval fleet, died 22 Oct. at National Naval Medical Center in Bethesda after a stroke. VADM Gravelly, the first black admiral, achieved a number of other accomplishments in a storied, 38-year naval career that began as a fireman apprentice in the Naval Reserve in 1942.

NAVY BESTOWS OVERDUE HONOR ON WWII VETERAN

Navy WWII veteran Willie Thompson, Jr., was awarded a Navy and Marine Corps Commendation Medal for his heroic actions during WWII by Commander, Naval Reserve Force, VADM John G. Cotton, 22 Oct.

While still a Seaman First Class and attached to the 14th Special Naval Construction Battalion in the Marshall Islands, Thompson rescued two Sailors from drowning during two separate incidents in 1944.

In the first incident, a petty officer fell between a Higgins boat and a floating barge, causing injuries to his legs, leaving him unable to swim. Thompson jumped in and pulled the Sailor clear of danger.

Seven days later, another Sailor, who was unable to swim, fell into the ocean from the Higgins boat. Thompson also pulled that man to safety in response to the "man overboard" calls.

Thompson was commended for his actions in 1944 through commendation letters, but never received an actual medal.

NEW VET CEMETERY

The 544-acre site for the new Great Lakes National Cemetery is located in Holly, MI, approximately 45 miles northwest of Detroit. Nearly 460,000 veterans and their families live within 75 miles of the site.

NAVY RESERVIST MATT BLUNT WINS MISSOURI GOVERNORSHIP

Republican Secretary of State Matt Blunt won the governor's race Tuesday in MO, defeating Democrat Claire McCaskill. Blunt, 33, a lieutenant commander in the Naval Reserve, easily defeated several rivals in the primary contest. A former state legislator, he is the son of U.S. Rep. Roy Blunt, the House Republican whip.

NO DRAFT FOR MEDICAL PERSONNEL

DoD's top medical official said today there is no need for a contingency-plan study on drafting medical personnel. "The Selective Service System is studying various iterations of a draft, but is doing so only because a 1987 law requires it," said Dr. William Winkenwerder, Jr., the Assistant Secretary of Defense for Health Affairs. "There is no need for such a contingency plan," he said. "The military health system today is ready, capable, and flexible, and has an incredible amount of capacity."

DoD also has more than 130,000 skilled, trained medical personnel in the active-duty medical system. He said that there are "many tens of thousands" skilled medical professionals in the Reserve Components. DoD has 75 hospitals and 450 clinics worldwide. 📄

2004 Federal Tax Return Tips



For Members of the Naval Reserve

By *LT Marc J. Soss, SC, USNR*

Naval Reservists have two full-time employers, a civilian job and the Naval Reserve. Your civilian job allows you to provide for your family while your military service allows you the opportunity to serve and protect the United States. Both of these affiliations are a trade or business and qualify your expenses as tax deductible.

This article is meant to assist you in filing your 2004 Federal Income Tax Return (Form 1040); to make you aware of available tax credits and deductions; and to help you lower, to the extent legal, your tax burden. It is important to understand that nonreimbursed expenses you incur, while performing duties as a Naval Reservist, are tax deductible.

Preparation of Your 2004 Federal Income Tax Return

Your 2004 Federal Income Tax Return must be filed with the Internal Revenue Service on or before 15 April 2005. The following portion of this article will assist you in preparation of your 2004 Form 1040 Federal Income Tax Return.

Lines 1-5: Filing Status. Notifies the IRS as to the type of taxpayer(s) that is filing the return: single; married, filing jointly; married, filing separate return; head of a household; or qualifying widow with dependent child.

Line 6: Exemptions. Lists the number of individuals (single, married couple, and dependents) claimed on the return and information about them, including their social security number(s) and relationship to you. You may be able to deduct \$3,100 for each exemption listed on the return.

Lines 7-22: Income. This section provides the IRS with information about your total 2004 income and benefits. It consists of the following: civilian job salary or wages; military remuneration; tips; taxable and tax-exempt interest; capital gains and losses; foreign-earned income (exclusion amount applicable); bonus; back pay; dividend income; alimony received; deferred compensation; dependent care benefits provided by your employer; education expenses reimbursed by your employer; business expense reimbursements; pensions and annuities; rental real estate income; royalties; business income (S-Corporation, Partnership, or sole proprietorship); trust income; employer contributions to medical savings accounts; employer-provided vehicles; social security benefits; excess salary deferrals; moving expense reimbursements; severance pay; sick pay; and unemployment benefits received.

Methods to Reduce Taxable Income:

Individual Retirement Account: A member of the Naval Reserve is permitted to participate in an Individual Retirement Account (IRA). This decision is premised upon the fact that Reservists (not serving more than 90 days of Active Duty) are not considered covered by U.S. government retirement plans. In 1993, the State of California challenged this premise and mailed assessments to Reservists disallowing their IRA deduction for prior years. Their logic was that the Reservist was covered by the U.S. Government retirement plan. When IRC 219(g) (6)(A) and (B) Notice 87-16 was quoted to California, the assessment was removed. If your state disallows your IRA deduction due to your drilling as a Naval Reservist, quote the above IRC references and contact the Naval Reserve Association.

IRA contributions, to be deductible, are subject to various limitations. The limitation depends upon your filing status and the amount of your "Modified Adjusted Gross Income." As a result of the limitations, you may be entitled to deduct all, part, or none of the IRA contribution based upon your AGI and your employment plans (if any). If you or your spouse is covered by a Pension or Profit Sharing Plan at your civilian employment, you will only be able to deduct your contributions to an IRA if you meet certain income guidelines. All others can make contributions to an IRA on a nondeductible basis. In addition, deductible IRA contributions up to \$3,000 (plus a \$500 makeup allowance for those over the age of 50) may be made for each spouse (including a nonincome-producing spouse) as long as the combined compensation of both spouses at least equals the contributed amount.

Thrift Savings Plan: Members of the Ready Reserve are eligible to make deductible contributions to a Thrift Savings Plan (TSP). You have 60 days from the date you enter the Reserves to make your initial election. The amount you can contribute is based upon the applicable annual IRC contribution limit and changes annually. In 2004, the IRS elective deferral limit is \$13,000. If you are over 50 years of age, you may also make an additional catch-up contribution of \$3,000. Those who contribute to the TSP from their basic pay may also contribute from their incentive or special pay (including bonus pay).

Lines 23-36: Adjusted Gross Income. This section consists of deductions (standard or itemized) to the income and benefits calculated under lines 7-22 above.

Standard Deduction:

The 2004 standard deduction amounts are the following: \$4,850 for single or married filing separately; \$9,700 for married filing jointly or qualified widow; and \$7,150 for a head of household.

Miscellaneous Itemized Deductions:

These deductions phase out at \$142,700 for single and joint tax filers and at \$71,350 for separate returns filed by a married individual. Itemized deductions may also be reduced by three percent of the amount by which the taxpayer's adjusted gross

income (AGI) exceeds the income threshold up to a maximum of 80 percent of allowable deductions. The following is a list of the available deductions and their respective limits, if any:

Itemized Deductions (Not subject to 2% Limitation):

These deductions consist of: Educator expense (\$250 deduction if certain qualifications are met); business expenses (Reservists, performing artists, and certain government officials); \$2,500 student loan interest deduction (subject to an AGI phase out of \$130,000 for married filing jointly and \$65,000 for all others); health savings account deduction; moving expenses; one-half of self-employment tax; real estate taxes; self-employed health insurance deduction; Keogh Retirement Plan; Self-Employed SEP and SIMPLE contribution deduction; alimony payments; penalty on early withdrawal of savings; and mortgage interest paid (subject to limitations).

State and Local Sales Tax: In 2004 and 2005, state and local sales taxes are deductible (actual purchase amount) or pursuant to an IRS created table (not created as of the date this article went to print). Those electing the deduction must choose between deducting their sales taxes or their state and local income taxes. If the IRS table is used, the sales tax paid on automobiles, boats, and other items specified by the IRS are also deductible. Residents of Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming will receive the biggest tax benefit since these states have no state income tax.

Tuition and Fees: This deduction is available to students for whom no education credit is claimed (maximum deduction of \$4,000 if AGI does not exceed \$65,000 [\$130,000 on a joint return] or \$2,000 if AGI is between \$65,000 and \$80,000 [\$130,000 and \$160,000 on a joint return]).

Charitable Contributions: Contributions to a church, temple, united charities, etc., are eligible for the deduction. Also, contributions made to your ship, post, Reserve Center, or station, provided that the funds are used SOLELY for recreation, amusement, or welfare (MWR) of service personnel, are deductible. A list of service-oriented organizations includes but is not limited to the following: USO, Navy/Marine Corps Relief Society, Naval Academy Alumni Association, Naval Academy Athletic Association, and the Naval Reserve Association. Charities are now required to inform you of the deduction limits for quid pro quo contributions when you make a payment of more than \$75.00. If your gift is more than \$250, you must have a written acknowledgment from the receiving organization.

Contributions to the Naval Reserve Association: Contributions of money or property to the Naval Reserve Association qualify as a charitable contribution. If you make a gift of appreciated property to the NRA, you can receive a tax deduction for the property's full market value without having to pay tax on its appreciation in value.

Capital Loss Carryover: Up to \$3,000 (\$1,500 if married filing separately) of capital losses, in excess of capital gains, can be deducted as an offset against other income. Capital losses may also be carried forward to offset a capital gain the next year.

Exceptions:

The business expense deduction provides eligible members of the military an above-the-line deduction for their transportation, meals, and lodging expenses (not reimbursed) incurred when traveling more than 100 miles away from home and staying overnight to attend meetings. The deduction amount will be calculated at the maximum travel rate expense allowed for federal government employees. This deduction benefits all applicable Reservists regardless of whether they itemize on their income tax returns. To receive the deduction, you must complete Form 2106, Employee Business Expenses, or Form 2106-EZ, Unreimbursed Employee Business Expenses. Then, include the amount from Form 2106 or Form 2106-EZ on line 24 of Form 1040. Write "RC" and the amount of expense in the space to the left of line 24 on Form 1040.

If you had more than one employer and wages in excess of \$87,900 in 2004, with each withholding social security tax on your wages, it is likely that too much social security (FICA) may have been withheld. You may claim the excess FICA amount as a credit (the "Withholding Tax Credit") against any income tax that is owed on your Form 1040. It is important to recognize that social security tax is withheld from Naval Reservists performing Reserve Drills, IDTT, ADT, ADSW, AT, or when on an extended period of Special Duty.

Itemized Deductions (Subject to 7.5% limitation):

Medical expenses must total at least 7.5 percent of adjusted gross income (AGI) to be deductible. Deductible expenses include the following: doctor, dentist, and chiropractors' fees; lab fees; contact lenses and eye glasses; and medical supplies. Health insurance premiums may be included to reach the deductible limitation unless paid by an employer.

Itemized Deductions (Subject to the two percent limitation):

1. Military Oriented Deductions.

Unreimbursed Travel Expense to Drills: A Naval Reservist performing inactive duty by attending drill under competent orders, either in a pay or nonpay status, are entitled to deduct the cost of the travel between the city or general area which constitutes your principal or regular place of employment and the drill site (Reserve Center, base or post) located outside such general area (if you stay overnight or the location is in excess of 50 miles from your tax home). If you are unemployed or a student, you are not entitled to any mileage deductions as an employee business expense. The premise is that you were not traveling between two employer business locations.

For example: A Naval Reservist living and working in Oskaloosa, Iowa, and performing drills at Belle Chase Naval Air Station, Louisiana, is entitled to deduct the mileage in driving to and from the drill site. You may deduct the cost of flying (commercially or in a private plane) to and from Oskaloosa plus any incidental costs, i.e., rental car in New Orleans; parking at the Des Moines airport; staying at the Belle Chase NAS BOQ (if available); out-of-pocket meals (subject to 50 percent limitation); mileage to and from the Des Moines airport, etc. all related to performing the drill weekend.

You may deduct your round-trip transportation expenses, provided free transportation between such locations is not furnished to you. The deduction is applicable, regardless of whether the Reservist attends drills in the evening after his/her regular working hours or on an otherwise non-working day. If you are required to remain away from your principal place of employment overnight in performance of authorized drills (IDTs) and training duty (AT/ADT), you may deduct all of the cost of the travel expenses, including meals (subject to 50 percent limitation) and lodging (if not furnished), whether you are compensated for such drills and training duty or not.

Administrative Travel: There are many occasions when the commanding officer or other unit members under his or her command are required to drive to the Reserve Center to sign correspondence, make MOBEX telephone calls, give Active Duty Examinations, install/maintain equipment, and so on. These trips are normally at dates and times other than normal drills. The Reservist involved is entitled to deduct round-trip mileage for such trips since the travel was performed in order to meet higher authority directives and during the normal workday. It is recommended that you maintain a log of these additional trips and miles.

Commuting Expense to Temporary Drill Sites: The Naval Reserve Center to which you are assigned is considered your "normal location" for performing drills. If you drive from your residence to a location other than the NRC to attend drills, this will not be a deductible commuting expense for those drills since the first trip of the day is commuting.

Example: If you normally drill at NRC Tampa, FL, live within a 50-mile radius of the NRC, and you do not stay overnight but return home from drill, all of your mileage to and from is considered commuting and nondeductible. However, if you are ordered to report directly to NRC St. Petersburg, FL, or any other "temporary drill site," except NRC Tampa, your round-trip commuting mileage is deductible only if you report to NRC Tampa first, and then you go to the temporary drill site.

It is important to keep any documentation furnished that directs you to go to the other drill location. This documentation includes a Plan of Day/Month (POD/POM), written no-cost IDTT orders, letters from superiors, or any other document that directs your actions. In order to be deductible, you will need to keep track of the mileage from your home to the NRC and then to the temporary drill site.

You may not deduct any part of your transportation expenses incurred in attending drills that are conducted within the city or general locality that constitutes your principal or regular place of employment, unless you are also working at some other business location that same day or you go to a "temporary" drill site. When you attend prescribed drills within the city's general locality that constitutes your principal or regular place of employment, and, on that same day, you were working at some other business location, you may deduct your one-way transportation costs in getting from one such business location to the Reserve Center. Keep records as to the business location, the number of miles driven, and the date of such action.

AT and ADT Expenses in Excess of Navy Travel Code 3 Reimbursement: Reservist AT is required to be performed annually. A Reservist is typically reimbursed at a rate less than 37.5 cents per mile. You are entitled to deduct the difference between the amount reimbursed from mileage reported on the original orders and the amount calculated using the actual miles driven times 37.5 cents per mile.

Transportation Expense Calculation: Effective 1 January 2004, the deductible mileage rate is 37.5 cents per mile for all miles driven for business through 31 December 2004.

Actual Expenses vs. Standard Mileage Rate Deductions

In order to deduct the actual travel expenses using your vehicle for Naval Reserve meetings:

- a. You may not use Accelerated Cost Recovery System (ACRS or MACRS or Section 179) depreciation on any vehicle and use the mileage rate on that same vehicle during the life of the vehicle.
- b. You must supply the following information:
 1. The date the vehicle was placed in service;
 2. Total mileage that the vehicle was used in 2004;
 3. Miles used for business (including Naval Reserve);
 4. Percentage of business use;
 5. Average daily round-trip commuting distance;
 6. Miles that vehicle was used for commuting; and
 7. Other personal mileage.
- c. In addition, you must answer the following questions:
 1. Whether another vehicle was available for personal use;
 2. Whether the employer provided the vehicle;
 3. Whether personal use was permitted during off-hours;
 4. Whether evidence exists to support the deductions; and, if so,
 5. Whether such evidence is written.

All this information is required whether you use the mileage or actual expense method. Your daily records can be used by you to determine which method, actual expenses or mileage, would result in a greater deduction.

NOTE: You are not able to claim the standard mileage rate if you use the IRC Section 179 deduction. Annual Reserve/business use will affect the deduction amount. Consult with a tax practitioner before claiming the deduction.

Summary of Reserve Mileage Deductions:

If your normal work week is Monday through Friday and you attend a meeting of an Armed Forces Reserve unit that meets one weekend a month in the general area of your regular place of work and you return to your home on Saturday night, the cost of transportation from your home to the Reserve meetings is a commuting expense and you cannot deduct it unless you go from the NRC to a "temporary drill site" rather than to the NRC.

If the meetings are held outside the general area, you can deduct the cost of your transportation to attend the meetings. The Navy's definition of "Outside General Area" is living fifty (50) miles or more from the Naval Reserve Center. If the Reserve meetings are held after work on a normal workday, the cost of transportation from your work place to the Reserve Center is deductible.

If you stay away from home overnight, the cost of hotel/motel rooms and the cost of meals not furnished or reimbursed are deductible. Effective for all years commencing 1994 and later, only 50 percent of the qualified meals and entertainment may be deducted. Hotel/motel/BOQ room cost is still deducted in full.

Lodging Not Furnished by the Naval Reserve: A Reservist who lives outside a fifty-(50) mile radius from the NRC and will be performing at least two (2) drills the following day is entitled to lodging. In the event the Reservist does not perform two drills the following day or does not schedule the drills timely, the lodging expense paid by the Reservist is a deductible expense which should be included on Form 2106. A Reservist on AT/ADT is reimbursed the cost of the room. If the lodging costs more than the amount reimbursed, the excess is deductible on Form 2106.

Out-Of-Pocket Meals (Reduced by 50 Percent): Officers are not entitled to reimbursement for their meals, so the expense is deductible on Form 2106. In 2004, the deductible cost of meals is reduced by 50 percent. It is important to keep records of each meal purchased. Alternatively, instead of the actual cost of each meal, you may include your expenses for meals while away from your tax home overnight at the maximum rate authorized paid by the Federal Government for meals and incidental expenses in the locality where the travel was performed. For details, including the maximum rate, reference IRS Publication 1542 Per Diem Rates (For Travel within the Continental United States). You can use the new Standard Meal Allowance Rates.

Uniforms, Uniform Accessories, and Maintenance: Inactive Reservists are allowed to list on Form 2106 all expense pertaining to the unreimbursed uniform expenses incurred, whether in a pay billet or in a nonpay billet. These expenses include maintenance, repair, or alteration of uniforms and equipment especially required by the Navy and which doesn't take the place of civilian clothing. This includes, but is not limited to: gold lace, devices on uniforms, coat and collar devices, shoulder boards, chin straps, cap devices, gold lace on officers' visors, wings, sword and full dress belt, and for altering braid and devices on uniforms because of change of rank. If local military rules do not allow you to wear fatigue uniforms when you are off duty, you can deduct the amount by which the cost of buying and keeping up these uniforms is more than the uniform allowance you receive [IRS Publication 17, *Your Federal Income Tax*].

Dues to Professional Societies Related to Reserves: Reservists are allowed to list, as Miscellaneous Deductions on Form 2106, all expenses relating to membership in the various professional societies related to the Reserves. These include but are not limited to: U.S. Naval Institute, U.S. Naval War

College Foundation, Naval Reserve Association, Naval Order of the United States, Reserve Officers Association, Association of Naval Aviation, Vietnam Veterans Association, and others.

Subscriptions to Reserve-Related Periodicals and Purchase of Books: The cost of subscribing to Reserve-related periodicals and the purchase of books, which enhance the mobilization potential of the Reservist, are deductible on Form 2106. This includes technical reference material, historical data, and computer programs detailing the strategy and tactics of historical battles, and language training materials. Also, any material, written or magnetic media, or equipment, computer hardware or software that improves the mobilization potential of the individual Reservist is a deductible item.

Computer Expenses, If Used More than 50 Percent for Business and Naval Reserve Purposes (Records Are Required): The use a computer and its peripheral equipment more than 50 percent of the time combined for business and Naval Reserve duties will make it deductible. Records are required to substantiate the deduction or depreciation on Form 4562, Depreciation and Amortization.

Representing Local Chapter at EXCOMs and Attending Other Chapter Meetings: Officers of the Association who attended either or both of the 2004 conferences and other chapter meetings at their own expense are entitled to deduct these expenses as a cash contribution deduction. This includes the unreimbursed cost of transportation, meals (limited to 50 percent), and lodging (can use per diem amounts rather than exact expenditures).

Attending NRA SemiAnnual Meetings: National Officers, Anchors, delegates, representatives, and committee members attending the semiannual meetings in 2004 are entitled to a deduction for nonreimbursed travel expenses. The expenses include air fare, the cost of meals (limited to 50 percent) using actual expenses or the per diem amount [IRS Publication 1542], and lodging while away from home in connection with the affairs of the NRA and/or at its direction. Parking fees and tolls attributable to such transportation are deductible as separate items.

Expenses Incurred While an Officer of the Association or a Member of Any of the Association's Committees: If you incur any expense, travel, meals, purchase supplies, long distance telephone calls, or have a separate telephone line put in only for NRA use, those expenses are deductible as a charitable contribution. If there is any reimbursement from the NRA or the chapter, ONLY the NET expenses are deductible as a cash charitable deduction.

Retired Reservists Participating in Reserve Law Permissive Orders: Retired Reservists who participate in the Reserve Program IAW permissive orders program do not file form 2106 but list all expense incurred as a cash charitable deduction on Schedule A. Permissive orders issued IAW BUPERSINST 1001.39 state that: (a) the member will not accrue additional retirement points; or perform additional service for pay purposes (annual training); (b) participation is strictly on a voluntary basis; (c) no IDTT or ADT can be performed; and (d) there is no RESFIRST reporting requirement.

Other Deductible Expenses: The following expenses may also be deductible: (1) Change of Command or Change of Office, and Special Award Ceremonies expenses (printing, reception, etc.); and (2) Legal expenses incurred by a Reservist in the defense of certain allegations. [IRS Publication 529, *Miscellaneous Deductions.*]

2. Additional Civilian Deductions.

Office in Home if Used As Your "Principal" Place of Business: A home office expense can be deductible if it is used as your "principal" place of business. In 1993, the U.S. Supreme Court defined the meaning of "principal" as a two-part test: (1) exclusive or regular use for your trade or business; and, (2) the business part of your home must be one of the following: (a) your principal place of business, (b) a place where you meet with patients, clients, or customers in the normal course of your trade or business, or (c) a separate structure (not attached to your home) you use in connection with your trade or business. Additional tests for an employee's use of a part of his/her home include: (1) your business use must be for the convenience of your employer, and (2) you do not rent any part of your home to your employer and use the rented portion to perform services as an employee.

Based upon the above tests, it may be possible for a member of the Naval Reserve to deduct a part of the operating and depreciation expense on his/her home. You cannot deduct any part of personal expenses that are for family household purposes. Confer with your tax practitioner as to the likelihood of sustaining the deduction upon audit by the Internal Revenue Service.

If a percentage of the expenses are deductible, then include house interest, taxes, utilities, insurance, and depreciation and apply the percentage to the total amount of the house expense. Repairs are deductible ONLY for the home office. Other room repair is not allowed. Forms 8829, 2106, and 4562 must be completed to reflect the operating expense and depreciation on the home office. [IRS Publication 17, Part 5, Chapter 30, *Miscellaneous Expenses*]

Tax Preparation Costs: The cost to prepare your income tax, including preparation software or books or a professional tax preparer is deductible.

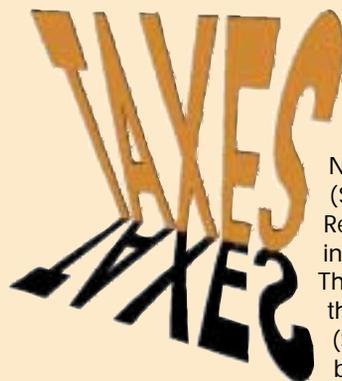
Job Search Expenses: The costs associated with a job search, regardless of your current employment situation, in your line of work will qualify as a miscellaneous deduction. The deduction includes the cost of printing and mailing your résumé, long distance calls related to the job search, and travel costs to an interview location.

Educational Expenses: Educational expenses are deductible if they (1) are required by your employer or by law or regulations to retain your salary, status, or job, (2) maintain or improve your skills required in your job whether within the Reserves or not [IRS Publication 3, *Employee Business Expenses*].

SUMMARY OF NAVAL RESERVIST DEDUCTIBLE EXPENSES FOR 2004

The 2004 changes in the tax law, which include the following, affect the above deductions as follows:

- Form 2106 Line 1. Records must substantiate vehicle expenses. Use 37.50 cents per mile for all business miles.
- Form 2106 Line 2. Parking fees, tolls, and transportation, including local commuting fees (buses, Metro, etc.).
- Form 2106 Line 3. Travel expense while away from home overnight (lodging, airplane, car rental, etc.) Do not include meal and entertainment expenses in this section.
- Form 2106 Line 4. Uniforms deduction, dues to professional organizations, and other expenses must be aggregated with the other employee business expenses.
- Form 2106 Line 5. Meals and entertainment cost not reimbursed. Note that this amount will be reduced by 50 percent on line 9, Form 2106.
- Schedule A Line 15. Contributions, annual meeting expense, and meals are reduced to 50 percent; sightseeing tours are not deductible unless related to purpose of the organization.



An example of the impact of the reduction of two percent of Adjusted Gross Income is the following: A Naval Reservist with adjusted gross income of \$45,000 must reduce his/her Naval Reservist expenses by \$900 ($\$45,000 \times .02$) before the Reserve expenses can be included in the total of itemized deductions. The total itemized deductions must then exceed the standard deduction (\$6,400) in order to receive a tax benefit. It is possible that the Naval Reservist will not receive any

tax benefit for Naval Reserve expense amounts due to the two percent reduction rule.

Lines 37-45. Tax Computation.

This section of the tax return calculates the amount of your taxable income by deducting your standard or itemized deductions from your adjusted gross income. In 2004, the standard deduction amounts are the following: \$4,850 for single (or married filing separately); \$9,700 for married, filing jointly (or qualified widow); or \$7,150 for head of household.

Income Tax Brackets

Married Individuals (Joint Return) and Surviving Spouse

<i>Taxable Income:</i>	<i>The Tax:</i>
Not Over \$14,300	10% of the taxable income
Over \$14,300 but not over \$58,100	\$1,430 plus 15% of the excess over \$14,300
Over \$58,100 but not over \$117,250	\$8,000 plus 25% of the excess over \$58,100
Over \$117,250 but not over \$178,650	\$22,787.50 plus 28% of the excess over \$117,250
Over \$178,650 but not over \$319,100	\$39,979.50 plus 33% of the excess over \$178,650
Over \$319,100	\$86,328 plus 35% of the excess over \$319,100

Single Taxpayers

<i>Taxable Income:</i>	<i>The Tax:</i>
Not over \$7,150	10% of the taxable income
Over \$7,150 but not over \$29,050	\$715 plus 15% of the excess over \$7,150
Over \$29,050 but not over \$70,350	\$4,000 plus 25% of the excess over \$29,050
Over \$70,350 but not over \$146,750	\$14,325 plus 28% of the excess over \$70,350
Over \$146,750 but not over \$319,100	\$35,717 plus 33% of the excess over \$146,750
Over \$319,100	\$92,592.50 plus 35% of the excess over \$319,100

Head of Household Taxpayers

<i>Taxable Income:</i>	<i>The Tax:</i>
Not over \$10,200	10% of the taxable income
Over \$10,200 but not over \$38,900	\$1,020 plus 15% of the excess over \$10,200
Over \$38,900 but not over \$100,500	\$5,325 plus 25% of the excess over \$38,900
Over \$100,500 but not over \$162,700	\$20,725 plus 28% of the excess over \$100,500
Over \$162,700 but not over \$319,100	\$38,141 plus 33% of the excess over \$162,700
Over \$319,100	\$89,753 plus 35% of the excess over \$319,100

Alternative Minimum Tax

The exemption amounts for 2004 are the following: \$58,000 for married (filing jointly) and surviving spouses; \$40,250 for single or head of household filers; and \$29,000 for married (filing separately). The alternative minimum tax is a separately figured tax that eliminates many deductions and credits, thus increasing tax liability for an individual who would otherwise pay less tax. The tentative minimum tax rates on ordinary income are 26 percent (on the first \$175,000) and 28 percent (excess amount).

Kiddies Tax (Form 8814)

The "Kiddie Tax" applies to unearned income, in excess of \$800, of a child under age 14. The child's investment income over \$800 will be taxed at the marginal income tax rate of his/her parent(s).

Lines 46-56. Credits.

1. Foreign Tax Credit (Form 1116).
2. Credit for Child and Dependent Care Expenses (Form 2441).
3. Credit for the Elderly or Disabled (Schedule R).
4. Child Tax Credit (increased to \$1,000 per qualifying child)
 - a. Phased out for adjusted gross income levels:
 - (i) \$110,000 for joint filers;
 - (ii) \$55,000 for married individuals filing separately; and,
 - (iii) \$75,000 for single filers.
 - b. Under the phase-out rule, the credit amount is reduced at the rate of \$50 for each \$1,000 (or fraction) by which a taxpayer's "modified adjusted gross income" exceeds the threshold amount.
5. Adoption Credit (Form 8839).
6. Mortgage Interest Credit (Form 8396).
 - a. Home Loan Mortgage Interest. Deductible up to \$1 million in home acquisition debt.
 - b. Home Equity Loan Interest: There is a \$100,000 (\$50,000 if married, filing separately) limit on the amount of debt that can be treated as home equity debt. Interest on amounts up to the home equity debt limit are deductible while amounts in excess are treated as personal interest and not deductible.
 - c. The interest on excess equity loan amounts used for investment, business, or other deductible purposes may be deductible.
7. Other Credits. Prior Year Minimum Tax; Qualified Electric Vehicle; General Business; etc.

Lines 57-62. Other Taxes.

This section includes taxes on the following: self-employment; tip income not reported to your employer; IRA or qualified retirement plans (early distribution, excess contribution, minimum required distribution); and household employment.

Lines 63-70. Payments.

This section includes: federal income tax withheld (W-2 and 1099); estimated tax payments (2004 payments and amounts applied from 2003); earned income credit Form EIC; excess social security; Medicare, and RRTA tax withheld; additional child tax credit; and amounts paid with an extension request.



Lines 71-75. Refund or Amount You Owe.

This section you either love or hate because it identifies whether you are due a refund or the amount you owe the government.

MILITARY SERVICE IN A COMBAT ZONE AND THE IRS

The following is a short list of tax benefits available to our brave men and women who served in a combat zone in 2004:

Exclusion from Gross Income

An enlisted member or warrant officer (including commissioned warrant officers) who performs service in a combat zone will have his/her military pay excluded (not included as a part of his/her W-2 income) from his/her gross income for all or any part of the month of his/her service in a combat zone (IRC section 112(a)). For commissioned officers, the monthly amount that will be excluded from their gross income will be capped at the highest enlisted pay, plus any hostile fire or imminent danger pay received (IRC section 112(b)). For definition purposes, a "combat zone" means any area that the President of the United States designates, by executive order, as an area in which U.S. Armed Forces are or have been engaged in combat and includes a qualified hazardous duty area. It is important to understand that any income (salary [full or partial] and bonuses) received from sources other than the military will not be tax exempt.

The combat zone income exemption will apply to the following members: (1) those serving directly inside a combat zone and those who participate in operations within the zone, including the airspace over it; (2) any military pay received by a member who is hospitalized as a result of injuries sustained while serving in a combat zone, subject to a two-year limitation. (The two-year limitation period begins to run on the date of termination of service in the combat zone.); (3) annual leave payments upon discharge from the service to the extent the leave was accrued during any month in any part of which the member served in a combat zone; and, (4) a reenlistment bonus received in a month that the member is outside the combat zone if they completed the necessary action for entitlement to the reenlistment bonus in a month during which they served in the combat zone. In order to be eligible for the income tax exclusion, your service branch must certify your entitlement to the military pay exclusion on your Form W-2.

IRS Extensions

The deadline extension provision applies to most tax actions that are required to be performed on or after the beginning date for your combat zone, or the date you began serving in that combat zone, whichever is later. The deadline for performing certain actions, applicable to your federal taxes, will be extended for the period of your service in the combat zone plus 180 days thereafter. During the extension period, assessment and collection deadlines will be extended, and interest and penalties attributable to the extension period will not be charged. The extensions will apply without regard to the source of the income. The deadline extension provisions will also apply for a period of hospitalization inside the United States not in excess of five years.

The IRS deadline extension provisions also apply to individuals serving in the combat zone in support of the U.S. Armed Forces, such as Merchant Marines serving aboard vessels under the operational control of the Department of Defense, Red Cross personnel, accredited correspondents, and civilian personnel acting under the direction of the U.S. Armed Forces in support of those forces. In addition, members who perform military service in an area outside the combat zone can qualify for the extension provisions if their service is in direct support of military operations in the combat zone and if they receive special pay for duty subject to hostile fire or imminent danger as certified by the Department of Defense. The deadline extension provisions apply to both spouses whether joint or separate tax returns are filed.

The deadline extension provisions apply only to federal estate and gift tax returns. Federal tax and information returns, such as corporate income tax or employment taxes, are not entitled to the extension provisions. The extension provisions will also suspend compliance actions, such as audits or enforced collections.

Qualified Retirement Contribution

If you qualify for an extension, you may make a timely qualified retirement contribution for the prior tax year to your retirement account on or before the extended deadline for filing your income tax return for that year. Any amount contributed to your IRA that is more than the smaller of (1) your taxable compensation or (2) \$3,000 (\$3,500 if you are age 50 or over) is an excess contribution and must be withdrawn to avoid a six percent excise tax.

If your taxable compensation will be less than \$3,000, you should withdraw the portion of your contribution that exceeds your taxable compensation. You will not be taxed on the distributed amount if you receive the distribution on or before the deadline for filing your federal income tax return. You must also withdraw the amount of net income attributable to the excess contributions while they were assets of the IRA. Alternatively, if you are married and file a joint return, you may be eligible to make an IRA contribution based on your spouse's taxable income.

Estimated Tax Payments

The deadline extension provisions apply to estimated tax payments and will prevent penalties and interest from accruing if the tax is paid in full by the extended filing due date. In order to insure this protection, it is recommended that you print "COMBAT ZONE" across the top of the return.

Installment Payment Plan

While serving in a combat zone and for 180 days thereafter, you will not be required to make payments on past due taxes. Also, no additional penalties or interest will be charged during this deadline extension period. In order to receive this benefit, you will need to contact the IRS office where you were making the payments.

Form W-2, Wage, and Tax Statement

Military pay attributable to your active service in the combat zone that is excluded from gross income will not be reported on your Form W-2 in the box marked "Wages, tips, other compensation." However, the military pay will be subject to social security and Medicare taxes and will be reported on your Form W-2 in the boxes marked "Social security wages" and "Medicare wages and tips."

Earned Income Tax Credit (EITC)

The U.S. Tax Code does not include combat pay, the Basic Allowance for Housing (BAH), and the Basic Allowance for Subsistence (BAS) in the definition of "earned income" for purposes of the EITC. However, these exclusions may leave you with no earned income and the inability to claim the credit.

Hospitalization

The deadline extension provisions will apply to an injury sustained in a combat zone for the period that you are continuously hospitalized as follows: (1) outside of the United States including 180 days thereafter; or (2) not in excess of five years inside the United States. Also, subject to a two-year limitation after the date of termination of the combat zone, military pay received by a hospitalized enlisted member as a result of injuries sustained while serving in a combat zone will be excluded from gross income. Commissioned officers are entitled to the same benefit subject to the maximum enlisted per month amount discussed above.

Dependent Children Tax Returns

You are not required to file individual income tax returns for your dependent children while one or both parents serves in a combat zone. You may use the military service member's extension deadline to file their federal individual income tax returns. It is recommended that you write "COMBAT ZONE" across the top of their tax returns. However, if they are entitled to a refund, you may want to file their tax returns as soon as possible.

Accrued Annual Leave

Annual leave payments to enlisted members of the U.S. Armed Forces upon discharge from the service are excluded from gross income to the extent the leave was accrued during any month in any part of which the member served in a combat zone. If your spouse is a commissioned officer, a portion of the annual leave payment he/she receives for leave accrued during any month in any part of which he/she served in a combat zone may be excluded. The leave payment cannot be excluded to the extent it exceeds the maximum enlisted amount for the month of service to which it relates less the amount of military pay already excluded for that month.

Reenlistment Bonus

A reenlistment bonus that is earned as a direct result of the completion of actions necessary for its entitlement in a combat zone will be excluded from gross income. This exclusion will apply even if the bonus is received in a month that you are outside the combat zone.

AUDIT BY IRS PERSONNEL

It is not unusual for a Naval Reservist to be audited and questioned about his/her Navy Reserve expenses. Normally, the person conducting the audit knows little about the Reserves and the allowable expenses incurred by the Reservist/taxpayer. Typical audit areas include:

Travel Expenses

The problem area involves the determination of whether the Reservist is entitled to deduct the round-trip mileage or only the one-way mileage to attend Naval Reserve Drills or perform other required duties when traveling from your regular employment location to the NRC. If you stay at provided quarters, you will not have a problem documenting your deduction of mileage expense.

Naval Reserve Expenses for NonPay Drillers

A Naval Reservist in nonpay status may be audited over their Naval Reserve expenses. These expenses have been challenged based upon the theory that: "(a) since the Reservist is not receiving any pay for his/her services; (b) the Reservist is assigned to a VTU (Voluntary Training Unit); (c) therefore, the Reservist is not an employee; and, (d) therefore, the Reservist is not entitled to claim the expenses as Employee Business Expenses." In the event your Naval Reserve deductions are challenged in pay or nonpay status, the following should be made known to the auditor:

1. The Reservist is an employee of the U.S. Navy and the U.S. Government;
2. The Reservist is required to attend drills, and the same rules are applicable to a Reservist in a pay or nonpay category; and
3. The IRS, through the Revenue Ruling 55-109, 1955-1, CUMBULL 261, modified by Revenue Ruling 76-453 and Revenue Ruling 90-23, 1990-1 CB 28, modified by

Revenue Ruling 94-47 allows a deduction for the Reserve expenses, whether in a pay or nonpay status.

4. The forms that identify you as an employee are:
 - a. NAVPERS FORM 1200/1 Ready Reserve Agreement;
 - b. CNAVRES FORM 1321/2 Officer Application/ Orders for Inactive Duty Training;
 - c. NAVPERS FORM 1570/2 Satisfactory Participation Requirements Record;
 - d. CNAVRES FORM 1321/2, that assigns the officer to a unit in either a pay or nonpay status. Whether in the pay or nonpay, the Reservist MUST meet the same drilling requirements. The officer is assigned to a billet by a higher authority. The officer has NO OPTION as to this status. Therefore, the Reservist IS NOT A VOLUNTEER in the "charitable" sense of the word.
5. All drilling Reservists are subject to the Uniform Code of Military Justice (UCMJ). As a civilian you are not subject to the Code (UCMJ).
6. You are extended certain exchange and commissary privileges.
7. You earn one retirement point per drill performed regardless of your pay status.
8. You must maintain a satisfactory drilling year in order to remain in the Naval Reserve.
9. You must maintain a level of physical fitness to remain in the Naval Reserve.
10. You are not reimbursed expenses for attending drills (IDT).
11. You are entitled to deduct Travel Expenses when away from home carrying out "official business while on 'no cost' orders." [IRS Publication 3, *Tax Information for Military Personnel* and IRS Publication 17, *Your Federal Income Tax*.]

Documentation

You should be prepared to document and justify the deduction of any expense on the tax return filed because each taxpayer and each audit stands on the peculiar facts and circumstances related to that taxpayer. All deductions claimed on the Federal Income Tax Return filed must be substantiated with records. You should maintain your records in an account book, diary, statement of expense, or other similar record. These records should be substantiated with additional documentation such as checks, invoices, credit card slips, or statements.

NOTE: THIS ARTICLE DOES NOT ATTEMPT TO ADDRESS ALL TAX LAW CHANGES MADE THIS YEAR. IT IS IMPORTANT TO CONSULT A TAX SPECIALIST WHEN PREPARING YOUR FEDERAL INCOME TAX RETURN.

This article is dedicated to the men and women serving our country around the world. Without your service and contribution to our freedom, this article would not be possible.

Mr. Soss is a tax, estate planning, probate, and guardianship attorney located in Sarasota, FL. He is also an active member of the U.S. Naval Reserve. He can be reached at <SMSOSS@AOL.COM>.

Dear Admiral Keith,

As a reader of *NRA News*, I sense a certain lack of understanding and appreciation for what we are doing in OSD to support our young men and women serving in the Guard and Reserve today. As the principle supervisor for Reserve Component Affairs within the Department of Defense, I have my staff totally focused on transforming the way in which our Guard/Reserve is equipped, trained, utilized and compensated as an integral part of our total force. My staff has worked tirelessly in this effort, the results speak for themselves and the efforts of my people should not be undervalued.

The National Defense Authorization Act for Fiscal Year 2005 (NDAA FY 2005) is the most significant legislative package to positively affect the Guard and Reserve to be passed in many, many years and it deserves more than a passing mention. All elements of OSD, including members of my staff, the Guard/Reserve Chiefs and I met with members of Congress, their staffs (and the associations I might add) in putting together this legislative package. Our approach was relentless and, within the realities of a controlled budget, was focused on those bearing the brunt of mobilization and the war on terrorism, not on deferred compensation, early retirement and related issues. Simply put, when young men and women in the Guard/Reserve are mobilized, the full range of benefits for them and their families should be the same as their active duty colleagues.

As a result of these efforts, there are 50 plus provisions included in the NDAA FY 2005 that affect the Guard and Reserve. All are vital, but I would like to focus on several areas because they illustrate our focus on those National Guard and Reserve members who are currently living with the burden of mobilization and deployment.

First, there is now a new reserve strength and management category that eliminates the old, outdated "180-day rule" which has been in effect for longer than anyone can remember. This rule required reservists to be counted against active duty strength if they were on active duty for special work for more than 180 days (or 270 days in support of a combatant commander). The new provision allows reservists to serve up to three years to provide operational support

without counting against active duty strength. It also permits reservists to compete for promotion with other reservists, rather than active duty members, while serving in this category. This change provides consistent management and strength accounting for reservists while allowing them to support operational requirements of various durations.

Second, we now have much more flexibility in the bonuses available to Reserve component members. The maximum amount authorized for many of the bonuses doubled and in some cases tripled. Even more importantly, we now have greater flexibility in using the bonuses – particularly the reenlistment bonus. Now, the Reserve components can offer a reenlistment bonus to a member with up to 16 years of service; the previous limit was 14 years. And a reservist may receive multiple reenlistment bonuses. Bonuses may now be paid in a lump sum or installment payments – previously the bonus had to be paid in installments. There is also a new officer accession/affiliation bonus for officers who agree to serve in the Selected Reserve for three years.

Finally, there are two new benefit programs for reservists who serve in support of a contingency operation. Both programs require the reservist to serve at least 90 consecutive days to qualify for the benefit.

Number one is a new military health care benefit. For each 90 consecutive days, the reservist and his or her family is entitled to one year of TRICARE Standard on a cost-sharing basis. For example, a reservist who was mobilized for one year would be entitled to four years of TRICARE. The only requirement is that the member must agree to serve in the Selected Reserve. If the member only agrees to serve for two years, that would become his or her maximum entitlement.

Number two is a new educational assistance benefit. A reservist who serves for 90 consecutive days in support of a contingency is entitled to educational assistance, which is tied to the rate paid for a member who serves for three years on active duty. There are three thresholds: 90 consecutive days earns 40 percent of the active duty rate (or \$401/month this year); one continuous year earns 60 percent (\$602); and two consecutive years earns 80 percent (\$803). There is no contribution required or service obligation. The only stipulation is that the reservist must

continue to serve in the Selected Reserve (or the IRR in the case of a reservist who was mobilized from the IRR).

Our message has been consistent: benefit enhancements should be focused on those who are bearing the burden of mobilization and deployment. That is exactly what these new benefits do; they recognize and reward those who have answered the nation's call to duty and they are the kinds of legislative proposals we have been advocating within DoD.

As prudent stewards of the taxpayer's money, OSD weighs the available alternatives and produces what it believes to be in the best interest of the nation. Transformation of the nation's military to meet current and future needs, while caring for our personnel, remains our highest priority. We remain committed to brief you, as we have several times in the past on other issues, and all interested associations on the remainder of the provisions relating to our Guard/Reserve in the FY-2005 NDAA and we welcome your ideas and inputs for future legislation.

Thomas F. Hall
Assistant Secretary of Defense
for Reserve Affairs

Dear Admiral Keith,

Just a quick note on your November issue. On page 19, VADM Cotton has a slide behind him showing Inshore Boat Unit (IBU) Patrol Boats heading towards New York City. That picture is of Inshore Boat Unit 24 during training preps prior to its fourth deployment in four years. We are currently in Kuwait providing force protection for all US and Coalition shipping that enters Kuwait. This is the only seaport where material is off-loaded for use in the stabilization of Iraq. Also of note, we are the first IBU to deploy with the new 34 foot SeaArk Dauntless Patrol Boats. We are 100 percent reserve manned (three Full Time Support, 71 Drilling Reservists). I enjoy reading the magazine every month, albeit a bit delayed as it goes to my wife first who resends it here.

Calvin E. Tanck
Commander, USNR (IBU-24)

Dear Admiral Keith,

Just finished my NRA News and wanted to add something to LCDR Phan's excellent article. While the Navy has indeed started a Web based PME phase I program, currently enrollment is limited and preference is given to active duty (per the most recent message on the subject). What the article doesn't detail is that phase I can be from any service and in terms of jointness, it is beneficial to take another service's. Currently, the Air Command and Staff College offers open enrollment and you can start at any-time. I have not taken this course as I did the Navy's off campus seminar program (which takes three years), but people I know who have report completing it in months, not years. For further details, interested officers (LCDR select and above) or civilians (GS-11 and above) can visit <<http://www.wasc.au.af.mil/Distance%20Learning/distance-learning.htm>>.

As far as phase II credit, JFSC launched a distance learning program last year for O-4

to O-6's (although they only take a very few O-6's, so folks should get this before they make O-6). This program is pretty challenging and I am taking it now, scheduled to graduate in March 2005. Unfortunately, the phase II program is not accredited yet but they are hopeful that it will be soon. Also, Congress has yet to approve a joint designation path for reservists (perhaps this is something NRA and the others could spend some lobbying capital on). However, the education is still good all the same.

Dave Mitchell
Captain, USNR

Dear Admiral Keith,

Thank you for your outstanding service!
I reach my 60th birthday on 28 November 2004 and can draw retirement pay then. Some had advised a better option may be to delay commencement of such pay to 1 January 2005.

You can't believe the runaround I have received from a number of sources regarding the best course to take on this issue – until I talked to your CAPT McAtee. In a minute he gave me all the guidance I needed to make an informed decision!

I thank you and your fine staff for your service!

Lou Ellingson, SPS
Captain, USNR (Ret)

Dear Captain McAtee,

I like to personally thank you CAPT McAtee for sending me my 64th Birthday note and the reminder about the benefits to help assure our health benefits through Tricare for Life and Tricare Prime prior to age 65.

I'm still working for Lockheed Martin in Sunnyvale, CA, but plan on retiring within the next five months.

George E. Miller
Lieutenant Commander, USNR (Ret)



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RADM Peter L. Andrus, MC, USNR
National VP for Health Affairs

Our column this month is guest authored by CAPT Janice Stinson, NC, USNR. Janice and I have served together with the Marines and at Naval Medical Center San Diego. She is presently attached to NR Naval Hospital Camp Pendleton. In civilian life she is an adjunct assistant professor at UCSF from which she received her PhD. She works as a staff nurse in labor and delivery at the Alta Bates Medical Center in Berkeley, CA.

As the Naval Reserve representative to the TriService Nursing Research Program Advisory Panel, I recently had the opportunity to attend the Karen Reider military nursing research podium and poster sessions at the recently concluded Association of Military Surgeons of the United States (AMSUS) convention in Denver, CO. What are military nurses studying? The conference theme was “Support for a Nation at War.” CNO’s top five priorities are people, current readiness, future readiness, quality of service, and alignment. Both are reflected in the military nursing science priorities focused on in the types of research conducted.

Three current hot topics included: (1) deployment issues, especially in connection with care of casualties; (2) clinical management outcome studies based on Joint Commission on Accreditation of Healthcare Organizations (JCAHO) issues; (3) mental health investigations, especially the effects of war casualties on caregivers. Future research topics include those relating to the new realignment of the Naval Reserve Medical Force.

“Bombs on target” type research included studies focused on supporting the war fighter. One survey study examined what was helpful and what was not regarding clinical readiness to deploy. Clinical

Hot Research Topics in Military Nursing

readiness was defined as the ability, under operational conditions, to provide nursing care for patients with trauma, disease, or nonbattle injuries, and to triage and regulate casualties for staging land and air evacuations. The survey included most common diagnoses in the field — 60 percent blast injuries, including how to manage soft tissue trauma, amputations, infections, pain and how and when to transport. Also evaluated were the adequacy and appropriateness of the types of educational preparation, familiarity with equipment, knowledge of types of injuries, and how to make decisions regarding air evacuation. Poster studies focused on appropriateness of thermal control equipment, bed boards for transport aboard air evacuation planes, and war experiences of nurses serving in Noble Eagle, OEF, and OIF. It was noted that combat nursing takes nurses out of their comfort zones (especially with the environment), encourages flexibility, autonomy, the ability to improve when supplies are not available, and to focus on the “mission.”

Another hot topic included studies which were developed in response to a need to adhere to JCAHO requirements. These not only were necessary for continued accreditation at military treatment facilities (MTFs), but also indicated recognition that clinical management of care should be evidence based. Assessment and documentation of pain was emphasized in a number of studies as well as medication errors, falls prevention, enteral feedings, deep vein thrombophlebitis/pulmonary edema prevention, and pressure ulcers (now increasing in incidence due to immobility of casualties from war zone). Other JCAHO issues such as proper staffing for various patient acuities were included on military studies involving a number of MTFs and all three services.

Mental health not only of sailors, soldiers, airmen and Marines, but also of their caregivers, were studied extensively. The current environment possibly leading to

mental illnesses included conditions of being constantly deployed, frequent relocations, repeated and prolonged separations from family, living in a field environment, and a constant alert status. Post traumatic stress disorder (PTSD), depression, lack of trust, and short-term memory loss occurred due to lack of preparation for limited privacy, trouble maintaining personal hygiene, and perceptions of not being well-informed. Approaches to treatment of these disorders included recommendations that counseling and therapy occur not only after returning to CONUS but also prior to leaving theater. Other studies addressed professional and personal issues of caregivers who were “left behind” in CONUS in comparison to those in theater and their reactions to the stressors of casualty care, including anger at the situation, quality of life issues, reactions to injuries of servicemembers, and appropriate coping mechanisms.

A new alignment of the Navy Reserve Medical Force was announced at AMSUS. It is anticipated that future research hot topics would involve examining education; implementation; and mental health response to the establishment of the Operational Health Support Units which will utilize an operational platform-system-based assignment of reserve billets. Different training content and approaches and a reordering of unit priorities could be future topics of interest for nurse researchers. ⚓



IMPORTANT REMINDER

**RCSBP/SBP OPEN SEASON
COMING OCTOBER 2005**

A Congressionally authorized RCSBP/SBP Open Season will begin 1 October 2005 and run through 30 September 2006. During this one-year open season, a retired member or a member entitled to retired pay at age 60 (in possession of NOE) may elect to participate or elect increased coverage if the initial election was less than the maximum base amount. As with past open season enrollments, a penalty premium is paid for enrollment after the period of the retiree's initial enrollment period. Keep watching the *NRA NEWS* for amplifying information as 1 October 2005 draws closer.

**NAVY GUIDANCE ON ISSUANCE OF
GWOT SERVICE MEDAL**

Recently promulgated NAVADMIN 273/04 provides Navy guidance on the issuance for the Global War on Terrorism Service Medal. A complete copy of the NAVADMIN may be obtained on the Association's Web site at: <www.navy-reserve.org>. Information regarding the GWOT Expeditionary Medal and other award information can be found on the Navy's new award Web site at <<http://awards.navy.mil>>.

**ADDITIONAL INFORMATION ON
TRICARE PHARMACY COPAY FOR
OTHER HEALTH INSURANCE (OHI)**

One of our members, CAPT Bill Robinson, from East Falmouth, MA, called and said the article titled "TRICARE Pharmacy Copay for Other Health Insurance (OHI)," in the *NRA NEWS* DEC 2004 issue, was on target but advised that also attaching an Explanation of Benefits (EOB) with the claim may help the entire process go smoother. If you can obtain an EOB, do it and attach it to the rest of the required documentation. An EOB is an explanation of how much the OHI paid.

CORRECTION

We received a telephone call from CDR D. Clinton Prescott, Jr., USNR (Ret), whom we listed as deceased in the December issue of this magazine. CDR Prescott told us that the rumors of his demise were greatly exaggerated and that he is alive and well in Mercer Island, WA. We apologize to CDR Prescott for this error.

**NRA's
Scholarship
Program
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APPLY NOW!

NRA is accepting scholarship applications for sons and daughters of members for the 2005/2006 academic year. Deadline for completed applications is 1 May 2005.

Applicants desiring to apply must adhere to the following requirements:

- Must be children of NRA members.
- Must be a U.S. citizen.
- Under 24 years of age. (Waiver for active duty service time)
- Must have registered with the draft, if eligible.
- Must be enrolled in or accepted for full-time enrollment at an accredited college, university, or a fully-accredited technical school.
- Although not required for application, applications are particularly desired from individuals who have demonstrated an interest in the hard sciences, such as mathematics, medicine, and engineering.

Applications are available online at <www.navy-reserve.org>. For more information, contact:

**Educational Assistance Program
Naval Reserve Association
1619 King Street
Alexandria, VA 22314-2793
Tel.: (703) 548-5800
E-mail: admin@navy-reserve.org**

**MEMBER CONTRIBUTIONS
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RESERVE DRILL PAY (Four Drills)
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COMMISSIONED OFFICERS															
Grade/Yrs	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	
O-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1728.41	1736.90	1773.00	1835.92	
O-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1511.72	1533.50	1564.96	1619.90	
O-8	1069.65	1104.68	1134.44	1163.38	1211.90	1223.16	1269.20	1282.41	1322.03	1379.41	1432.32	1467.67	1467.67	1467.67	
O-7	883.82	930.09	949.22	984.41	991.86	1019.02	1050.44	1081.78	1113.20	1295.28	1295.28	1295.28	1295.28	1301.82	
O-6	658.78	723.71	771.20	774.14	807.30	811.73	811.73	857.85	857.85	987.27	1035.12	1062.37	1089.90	1143.39	
O-5	549.17	618.84	661.49	689.52	696.18	712.25	747.39	806.47	857.48	861.78	905.75	932.99	932.99	932.99	
O-4	473.82	548.51	585.11	593.26	663.88	709.02	744.37	768.88	782.96	791.15	791.15	791.15	791.15	791.15	
O-3	416.61	472.29	509.78	555.75	582.37	611.58	630.48	661.61	677.76	677.76	677.76	677.76	677.76	677.76	
O-2	359.93	409.94	472.17	488.11	498.17	498.17	498.17	498.17	498.17	498.17	498.17	498.17	498.17	498.17	
O-1	312.48	325.20	393.09	393.09	393.09	393.09	393.09	393.09	393.09	393.09	393.09	393.09	393.09	393.09	
COMMISSIONED OFFICERS WITH OVER FOUR YEARS ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER															
Grade/Yrs	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	
O-3E	0.00	0.00	555.75	582.37	611.56	630.48	661.61	687.82	702.61	723.30	723.30	723.30	723.30	723.30	
O-2E	0.00	0.00	488.11	498.17	514.02	540.77	561.47	578.87	578.87	578.87	578.87	578.87	578.87	578.87	
O-1E	0.00	0.00	393.09	419.84	435.32	451.18	468.74	488.11	488.11	488.11	488.11	488.11	488.11	488.11	
WARRANT OFFICERS															
Grade/Yrs	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739.78	765.11	790.57	816.16	
W-4	430.48	463.10	489.51	512.03	534.27	556.83	578.81	601.54	637.19	660.00	682.31	705.46	728.23	751.53	
W-3	393.13	409.57	426.34	449.48	469.64	496.22	522.51	550.45	571.40	592.27	601.25	610.53	630.69	650.85	
W-2	345.81	365.56	382.83	406.18	435.78	458.38	475.19	491.58	502.84	512.33	530.33	548.22	566.31	566.31	
W-1	305.37	330.37	347.10	366.72	404.11	419.51	436.73	448.11	458.42	475.23	487.94	487.94	487.94	487.94	
ENLISTED MEMBERS															
Grade/Yrs	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	
E-9	0.00	0.00	0.00	0.00	0.00	520.15	531.85	548.81	564.32	581.88	610.11	634.00	659.17	697.55	
E-8	0.00	0.00	0.00	0.00	425.80	444.64	456.27	470.26	485.41	512.74	526.57	550.12	563.21	595.37	
E-7	298.01	323.09	335.42	364.61	388.58	398.97	411.27	433.29	444.31	454.78	481.15	482.72	498.68	531.99	
E-6	258.06	281.69	294.11	318.78	347.22	358.28	370.57	381.34	385.14	387.75	387.75	387.75	387.75	521.09	
E-5	234.61	250.26	262.35	274.77	294.02	310.62	326.88	326.77	326.77	326.77	326.77	326.77	326.77	326.77	
E-4	215.03	226.09	238.30	250.35	261.03	263.43	261.03	261.03	261.03	261.03	261.03	261.03	261.03	261.03	
E-3	194.17	206.38	218.80	218.80	218.80	218.80	218.80	218.80	218.80	218.80	218.80	218.80	218.80	218.80	
E-2	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	184.60	
E-1	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	164.69	

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ACTIVE DUTY BASIC PAY
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COMMISSIONED OFFICERS															
Grade/Yrs	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
O-10												12983.06	13026.72	13297.47	13769.43
O-9												11337.91	11501.23	11737.21	12149.24
O-8	8022.39	8285.07	8459.26	8508.32	8725.36	9089.27	9173.72	9519.00	9618.05	9915.20	10345.55	9714.61	9714.61	11007.54	11007.54
O-7	6666.12	6975.69	7119.14	7233.10	7438.96	7842.65	7878.32	8113.37	8349.03	9089.27	9714.61	9714.61	9714.61	9714.61	9763.67
O-6	4940.68	5427.85	5783.99	5783.99	5806.04	6054.75	6087.97	6087.97	6433.87	7045.56	7404.49	7763.43	7967.74	8174.22	8975.39
O-5	4118.78	4639.80	4961.17	5021.41	5221.37	5341.84	5605.46	5796.90	6046.54	6431.08	6613.34	6793.12	6997.43	6997.43	6997.43
O-4	3553.67	4113.81	4388.30	4449.47	4704.39	4977.63	5317.62	5582.79	5766.61	5972.18	5933.66	5933.66	5933.66	5933.66	5933.66
O-3	3124.58	3542.16	3823.19	4166.15	4367.80	4596.71	4726.60	4962.10	5083.20	5083.20	5083.20	5083.20	5083.20	5083.20	5083.20
O-2	2698.49	3074.57	3541.25	3660.80	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25	3736.25
O-1	2343.65	2438.98	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20	2948.20

COMMISSIONED OFFICERS WITH OVER FOUR YEARS ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Grade/Yrs	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
O-3E				4166.15	4367.80	4596.71	4726.60	4962.10	5158.65	5271.06	5424.75	5424.75	5424.75	5424.75	5424.75
O-2E				3660.80	3736.25	3855.17	4055.75	4211.00	4326.51	4326.51	4326.51	4326.51	4326.51	4326.51	4326.51
O-1E				2948.20	3148.78	3264.91	3383.83	3500.58	3660.80	3660.80	3660.80	3660.80	3660.80	3660.80	3660.80

WARRANT OFFICERS

Grade/Yrs	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
W-5												5548.32	5736.35	5929.31	6121.20
W-4	3228.58	3473.25	3573.23	3671.35	3840.26	4007.00	4176.23	4341.10	4511.57	4778.92	4949.99	5117.35	5290.92	5461.70	5636.51
W-3	2948.51	3071.76	3197.53	3238.83	3371.10	3522.31	3721.65	3918.82	4128.41	4285.52	4442.01	4509.39	4578.94	4730.16	4881.37
W-2	2593.61	2741.72	2871.19	2965.59	3046.32	3288.32	3437.86	3563.92	3686.88	3771.33	3842.44	3977.51	4111.64	4247.33	4247.33
W-1	2290.25	2477.79	2603.23	2684.27	2900.38	3030.79	3146.30	3275.46	3360.85	3438.17	3564.24	3659.55	3659.55	3659.55	3659.55

ENLISTED MEMBERS

Grade/Yrs	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
E-9							3801.12	3889.61	4101.08	4232.43	4364.08	4575.84	4755.00	4943.78	5231.61
E-8						3193.49	3334.77	3422.02	3526.97	3640.61	3845.54	3949.25	4125.92	4224.04	4465.30
E-7	2220.08	2423.14	2515.67	2638.94	2734.57	2888.45	2992.29	3084.51	3249.69	3332.28	3410.84	3458.66	3620.43	3725.07	3968.93
E-6	1920.44	2112.64	2205.79	2296.46	2390.65	2604.16	2687.07	2779.29	2860.02	2968.58	2908.14	2908.14	2908.14	2908.14	2908.14
E-5	1759.60	1876.97	1967.64	2060.79	2205.17	2329.68	2421.59	2450.78	2450.78	2450.78	2450.78	2450.78	2450.78	2450.78	2450.78
E-4	1612.74	1695.64	1787.24	1877.59	1957.70	1957.70	1975.70	1957.70	1957.70	1957.70	1957.70	1957.70	1957.70	1957.70	1957.70
E-3	1456.25	1547.84	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99	1640.99
E-2	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52	1384.52
E-1	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17	1235.17

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NRC Avoca Provides Air Force One Security

By JO1 Mike Miller



Sailors from Navy Reserve Center Avoca responded quickly to the official request for a security detail for Air Force One, which visited Northeastern Pennsylvania for a campaign stop on 22 Oct. The Air Force One advance team routinely uses the closest military Reserve or Guard facility to secure the aircraft and its fuel, the latter considered a Level One asset. (L to R) Author JO1 Mike Miller; SW2 Raymond Paquette; CE3 Peter Sanders; BU2 Brian Vennie; LCDR T. J. Bartley, Commanding Officer, Navy Reserve Center Avoca, PA; BUC(SCW) Gerard Pietrzyk; CMC(SCW) Thomas Schoenagel; HM2 Kenneth McCawley; and SKC(SW) John Bennett. FCC(SW) Richard Craig is missing from the photo. (Photo by MAJ Chris Reifel, USAF)

Sailors from Navy Reserve Center Avoca responded quickly to the official request for a security detail for Air Force One, which visited Northeastern Pennsylvania on 22 Oct. The Air Force One advance team routinely uses the closest military Reserve or National Guard facility to secure the aircraft and its fuel.

Air Force MAJ Chris Reifel, Presidential Advance Agent for Air Force One, visited Navy Reserve Center Avoca and spoke with LCDR T. J. Bartley, Commanding Officer. Bartley said, "I knew exactly what he wanted when he introduced himself as 'MAJ Reifel with Air Force One Advance.'"

LCDR Bartley said, "Reservists with expert riflemen qualifications assigned to four different units at Avoca were contacted and the security team was formed. Just over 24 hours later the security team met at Navy Reserve Center Avoca to be assigned their rifles, magazines, and ammunition. BU2 Brian Vennie – a Pennsylvania State Police corporal in civilian life – gave a weapons safety brief, followed by a deadly force brief . . . Everyone on the team was highly qualified for this duty, and it's

rewarding to use the training we receive through the Navy Reserve."

"It's important to recognize," Bartley added, "the tremendous cooperation on the part of these Reservists' civilian employers. This was a very short-fused tasker, and we had these Sailors calling their employers and telling them they won't be in for two days; and they couldn't tell them why, but it was for the Navy. Of course, the employers were told immediately afterward, but their cooperation was an excellent example of employer support of the Guard and Reserve."

At the top of the Air Force One accommodation ladder, President Bush turned and waived at the crowd as he departed; the Avoca security detachment stood in formation and a salute was rendered. The Commander-in-Chief snapped a sharp return salute, waived at the rest of the crowd, and boarded Air Force One. Later, the Secret Service agent in charge informed the commanding officer that the agents were impressed with how well the Avoca security team had performed. Bartley said, "The Avoca Reservists were happy to oblige." 📌

Naval Air Force, Atlantic Fleet 0293 Change of Command

CAPT Jeff Blackburn, USNR, relieved CAPT Robert Ford, USNR, as the commanding officer of Commander, Naval Air Force, Atlantic Fleet 0293 during their change of command ceremony held 2 Oct. at Liberty Circle, NAS JRB Willow Grove, PA.

(L to R) CAPT Robert Ford and CAPT Jeff Blackburn. (Photo by PH1 Ray Robson)



VADM Cotton Kicks Off NAVELSF Leadership Symposium

By LT Mike Randazzo, USNR
NAVELSF Public Affairs

Chief of the Navy Reserve, VADM John Cotton, was the featured speaker at the FY 2005 Naval Expeditionary Logistics Support Force (NAVELSF) Commanding Officers Leadership Symposium, Williamsburg, VA.

On 19 November 2004, he briefed over 200 of the command's staff, senior enlisted, and officer leadership on the operational status of the Navy Reserve Force. He also provided updates on other key issues that affect the force such as transformation, human capital strategy, and health care.

Despite the high operational tempo and the heavy demands of executing the mobilization of close to 1,500 Reservists in support of cargo handling and customs inspection missions for Operation Iraqi Freedom, VADM Cotton stressed the importance of taking the time to promote communication as a leadership and a force-shaping tool.



VADM John Cotton, Chief of the Navy Reserve, was the featured speaker at the FY 2005 Naval Expeditionary Logistics Support Force Commanding Officers Leadership Symposium. He briefed over 200 of the command's senior enlisted and officer leadership on 19 November 2004.

"Information and idea exchange are vital to building organizations that are collaborative and knowledge-based," Cotton said. "Creating a culture of communication is not only one of the Navy's greatest challenges, but also is one of the greatest opportunities to foster a One Navy concept and better integrate our Active and Reserve Components."

In closing, he reminded the audience that those who proudly wear the cloth of the nation serve a greater mission that transcends service boundaries: "Hope and freedom are our military's most important products, and we are the protectors of those ideals. Think of operational support missions not as Navy missions but as missions for America."

This year's symposium was held from 19-21 November and also included breakout conferences for NAVELSF equipment and training officers and senior medical department representatives.

CAPT Kurt D. Sisson Retires in Washington, DC

By CDR Meg Reed, First Naval Construction Division Public Affairs

In a recent ceremony at Naval Facilities Engineering Command, CAPT Kurt D. Sisson, Civil Engineer Corps, retired from the U.S. Naval Reserve after 27 years of service. Distinguished guest speaker, retired RADM Robert Marlay, expressed high praise for CAPT Sisson's many contributions to the U.S. Navy Civil Engineer Corps and Seabee programs.

CAPT Sisson earned his Bachelor of Architecture degree from the University of Tennessee in 1976, and, upon graduation, received a direct commission as an ensign in the Civil Engineer Corps. Following his release from active duty in October 1980, CAPT Sisson affiliated with the Reserve and completed his first tour with a Seabee battalion (Naval Mobile Construction Battalion 23 (NMCB 23)). Other assignments were at the Reserve Naval Construction Force, Naval Facilities Engineering Command, and the Second Naval Construction Brigade. In between these assignments, CAPT Sisson returned to NMCB 23 to serve as the executive officer and then the commanding officer in 1993, when the battalion achieved the Battle Efficiency "E" for the ninth time in its history.



CAPT Kurt Sisson (left) receives the Defense Superior Service Medal from RADM James McGarrah (right) while RADM Robert Marlay looks on.

After completing his CO's tour with NMCB 23, CAPT Sisson accepted assignments at the U.S. Atlantic Command; the Second Naval Construction Brigade; Naval Facilities Engineering Command; and, then, assumed command of the Seventh Naval Construction Regiment in October 1999. His last assignment was at Theater Contingency Engineering Management, U.S. Pacific Command, Honolulu, HI, in November 2001.

In his civilian position, CAPT Sisson is the Chief of Facilities at the National Gallery of Art, Washington, DC. He is a Registered Architect in Virginia.

During the ceremony, CAPT Sisson thanked his wife, CAPT Barbara Sisson, and their children for their unparalleled family support, RADM Robert Marlay, as well as former and current Navy and civilian bosses and mentors. RADM James McGarrah presented CAPT Sisson with the Defense Superior Service Medal awarded by Admiral Tom Fargo, Commander, U.S. Pacific Command for his leadership of a Reserve Joint Engineer Augment Unit supporting Operations Enduring and Iraqi Freedom, contingency exercises, and high profile Engineering Division tasking.



6th Fleet Reserve Unit Gets New CO

*By Journalist First Class (SW) Mike Kramer
Naval Air Reserve Willow Grove Public Affairs Office*

Naval Reserve Commander Maritime Surveillance and Reconnaissance Forces Sixth Fleet 0193 welcomed a new commanding officer when CDR Mark A. Patterson relieved CDR Samuel R. Young during a change of command ceremony at the Orion's Training and Conference Center here on 2 October.

"Over the past couple of years, I've seen and heard about the contributions made by Sixth Fleet 0193," said Patterson, the former executive officer of Naval Reserve Naval Air Station Keflavik 0293 that drills here. "Your reputation as one of the best units at Willow Grove is well-deserved, and I'm privileged to serve with you. I'm looking forward to challenging opportunities and rewarding experiences during this tour."

RADM Daniel S. Mastagni, Deputy Commander, Fleet Air Force Mediterranean, was the guest speaker at the ceremony and talked about the future of the Navy and the Reserve force's impact on national defense.

"It is, indeed, an honor to be here today," said RADM Mastagni. "It's an honor because I get the opportunity to pay my respects to the men and women – officers, chief petty officers, and enlisted (personnel) – of our Naval Reserve. It's an honor for me because I get a chance to tell them how much they mean to our country, how much they mean to me, and how much we depend on them. It's an honor because I get to tell them how proud I am of them."

"We've been hearing a lot about transformation in the past," he added. "In my opinion, we've come so far that I consider the transformation to be just about complete. We're going to do a little bit of tweaking here and there and a little more modeling, but we're in pretty good shape."

The Admiral specifically addressed major changes to the Navy's operational employment, noting the increased efficiency in the fleet that has resulted in reduced training cycles

between deployments since the start of the second phase of the service's transformation.

"Now, you've seen the second part of the transformation happen," said RADM Mastagni. "We cut down the forces we had in Europe, and we're going to reduce the forces we have in Korea. Where are we going to put those people? We're not leaving them overseas. It's very expensive to keep people based overseas. We're bringing them home because we're agile, we're light, we're responsive, and we're mobile. The Air Force can get where they need to go with precision bombing within 25 hours and a carrier strike group can get there within ten days. That's what the future of our military is right now."

RADM Mastagni closed by congratulating Young on an outstanding tour highlighted by a five-month recall to Commander Task Force 67, where he supported Operation Enduring Freedom and Operation Iraqi Freedom.

Following RADM Mastagni's remarks, the base's commanding officer, CAPT Harry L. Myers, presented Young with a Meritorious Service Medal. Then, Patterson accepted command of NR CMSRF 6th Fleet from Young, who is transferring to Washington, DC, to report to Naval Reserve, Chief of Naval Operations for Operations and Plans.

"None of us here, in uniform, could fulfill our Reserve responsibilities without the support of families and friends," said Patterson as he addressed the crowd. "While we certainly regret the many missed birthdays, christenings, ball games, and other family activities, as Reservists, we provide essential support to active duty forces and contribute significantly to our national defense. The support of our families and friends is critical. With your support, you also contribute to our nation's defense by helping provide a credible Reserve force that can be called upon immediately. Today's ceremony is also a great opportunity to thank all of you (for these contributions)." 📌

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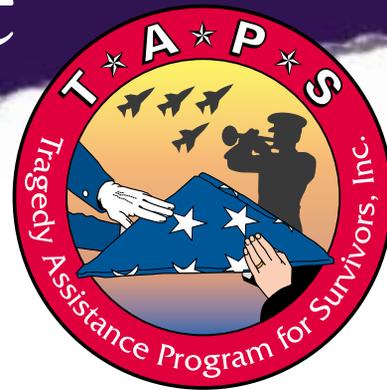
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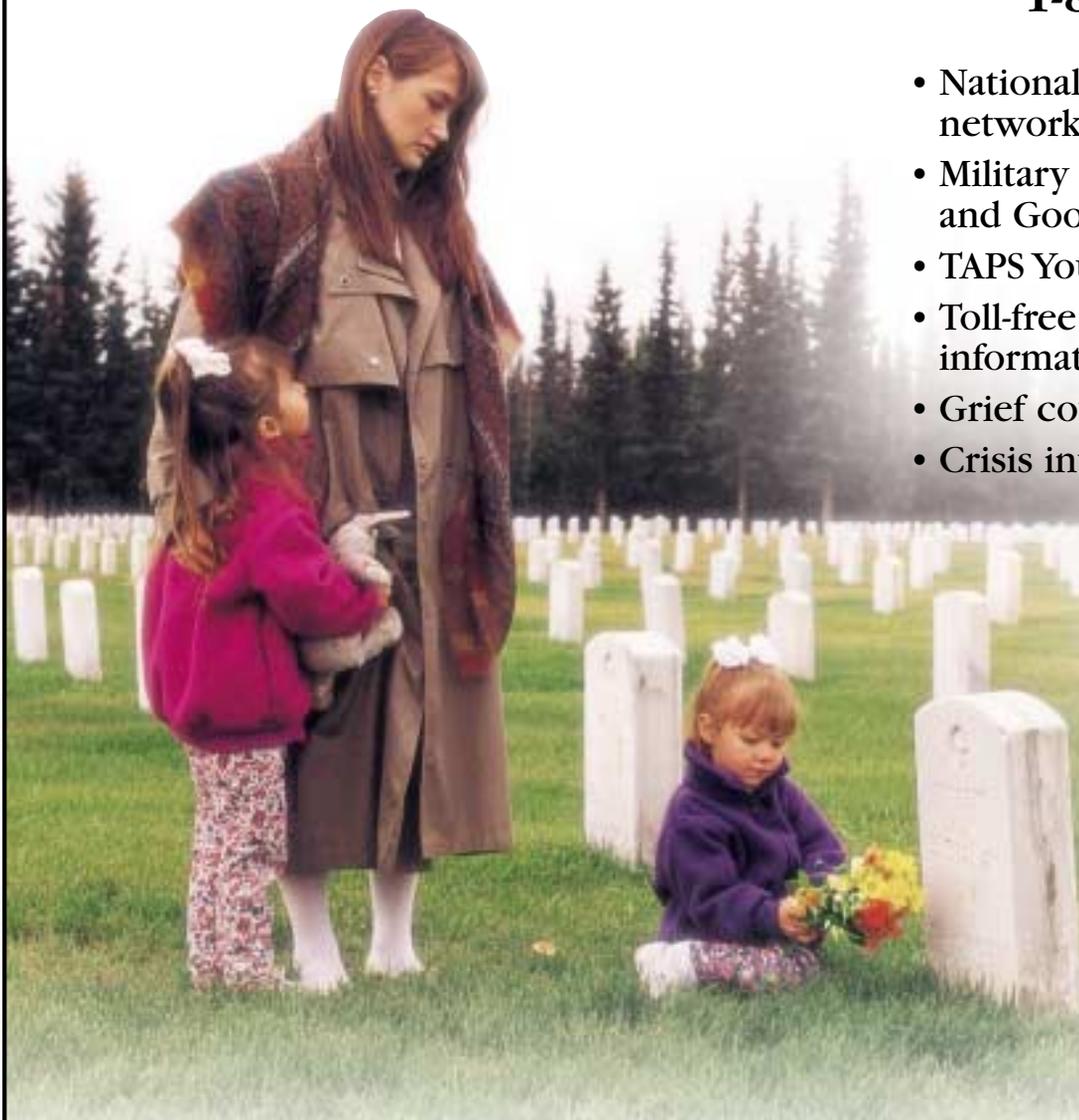
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