Naval Reserve Association NEWS

January 2006,
Volume 53, No. 1

The Professional Association Voice of the Navy Reserve

WHEN IT COMES TO YOUR RETIREMENT,
THERE'S NO SUCH THING AS A
DUMB QUESTION.

Did you know that new, **higher contribution limits on IRAs can help shore up your retirement savings?** That's the kind of guidance you'll get when you call our Financial Advice Center. We're experts in helping military personnel fine-tune their retirement plans. **Call us FREE today and see how USAA can help you.**

Get a FREE USAA Retirement Review before April 15.

800.531.1763

Or visit usaa.com – keyword IRAHelp

USAA *We know what it means to serve.*®

INSURANCE · BANKING · INVESTMENTS · MEMBER SERVICES

Financial advice provided through Financial Advice Center as a service of USAA Financial Planning Services Insurance Agency, Inc. (known as USAA Financial Insurance Agency in California) and USAA Financial Advisors, Inc., a registered broker dealer.

*The accompanying photo does not depict the actual named USAA Financial Advisor. • USAA means United Services Automobile Association and its affiliates.

VISION OF THE NAVAL RESERVE ASSOCIATION

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

CONTENTS

NRA NEWS January 2006, Volume 53, No. 1

FEATURE

11 2005 FEDERAL TAX RETURN TIPS FOR MEMBERS OF THE NAVY RESERVE

"This article addresses Naval Reservists' allowable deductions on the 2005 Federal Income Tax Return (Form 1040)."

— LT Marc J. Soss, SC, USN

DEPARTMENTS

4 From the Editor
6 President's Message
8 Legislative Update
9 Retirees' Corner
10 Professional Development
25 Junior Officer Country
26 Health Affairs
27 Letters
29 District News Briefs
30 Info That You Can Use
31 Reservists in Action

OTHERS

5 Corporate Associates
7 In Memorial – CDR William J. Mellish, CEC, USNR (Ret)
20 Reserve Drill/Active Duty Pay Tables for 2006
22 News Notes
22 JOY Nominations FY05
23 Briefcase Guide to the FY07 Reserve Promotion Board Cycle
28 NRA Nat'l. President & Exec. VP Visit Headquarters
31 NRA Scholarship Program for CY2006-2007

ON THE COVER

A scenario in preparing an income tax return. Books courtesy of Charles Beatley, Jr., Central Library in Alexandria, VA.

Naval Reserve Association NEWS (ISSN 0162-2129), authorized under PSM, Section 132.22, published monthly by the Naval Reserve Association, is a magazine devoted to the professional interests of the Officers of the United States Naval Reserve Association. Editorial and Executive Offices, 1619 King Street, Alexandria, VA 22314. Telephone (703) 548-5800. Periodicals postage paid at Alexandria, VA, and other mailing offices. Articles and letters appearing the Naval Reserve Association News do not necessarily reflect the opinions of the Executive Committee of the Naval Reserve Association or the Editor, nor are they necessarily to be interpreted as official policy of the United States Navy or Naval Reserve Association. Rates: The Naval Reserve Association News subscription is covered by membership in the Naval Reserve Association. Membership is open to all commissioned or warrant officers who are serving or have served honorably as members of the U.S. Armed Forces. Subscription price is $7.50 domestic. Single copy: 75 cents. Eligible non-members are not entitled to subscription rates. Photos or articles may be reproduced, providing credit is given to the Naval Reserve Association News. Postmaster: Send change of address to the Naval Reserve Association, 1619 King Street, Alexandria, VA 22314. Printed in USA.

ASSOCIATION OFFICERS AND COMMITTEE CHAIRS

NATIONAL OFFICERS

NATIONAL PRESIDENT
CDR Joseph Quaglino, Jr., USN (Ret)
E-mail: president@navy-reserve.org

NATIONAL EXECUTIVE VP
CDR Gary Barron, USN
E-mail: grbarron2@comcast.net

NATIONAL VP-SURFACE RESERVE PROGRAMS
CAPT Robert Stickney, USN
E-mail: rwstickney@yahoo.com

NATIONAL VP-AIR RESERVE PROGRAMS
CAPT David Mitchell, USN
E-mail: davemitch@ohiocpa.net

NATIONAL VP-BUDGET & FINANCE
CAPT Stu Colby, USNR (Ret)
E-mail: glendalefingrp@aol.com

NATIONAL VP-LEGISLATION & EDUCATION
LT Marc J. Soss, SC, USN
E-mail: smsoss@aol.com

NATIONAL VP-MEMBERSHIP
LT Kathryn Wilgus, NC, USN
E-mail: trucolors@yahoo.com

NATIONAL VP-MEMBER SERVICES
CDR Marian Cioe, NC, USN
E-mail: cioemar@aol.com

NATIONAL VP-PROFESSIONAL DEVELOPMENT
CAPT Larry Weill, USN
E-mail: captweill@aol.com

NATIONAL VP-ACTIVE DUTY PROGRAMS
CDR Darlene Bennett, USNR
E-mail: darlene.bennett@cox.net

NATIONAL VP-PUBLIC RELATIONS
LCDR Eddie Oestreicher, MSC, USN
E-mail: egpo@insightbb.com

NATIONAL VP-LEGAL AFFAIRS
CAPT Christopher Morgan, JAGC, USNR (Ret)
E-mail: jagcaptsix@hotmail.com

NATIONAL VP-HEALTH PROGRAMS
CDR Susan Labhard, NC, USN
E-mail: susan@labhard.com

NATIONAL VP-RETIRED PERSONNEL
LCDR Joseph Golding, USNR (Ret)
Tel: (303) 377-6733
E-mail: goldingjs@comcast.net

NATIONAL VP-JUNIOR OFFICERS
LT Steven Michaels, USN
E-mail: ensignsting@yahoo.com

NATIONAL TREASURER
CAPT Bill Loockerman, USNR (Ret)
E-mail: wloockerman@aol.com

NATIONAL CHAPLAIN
CAPT Horace Hamm, CHC, USNR (Ret)
E-mail: hhamm@worldnet.att.net

NATIONAL HISTORIAN
CAPT John Rice, Jr., USNR (Ret)
Tel: 337-824-2829

NATIONAL PARLIAMENTARIAN
CDR Willard Stubbs, USN
E-mail: willstubbs@cox.net

COMMITTEES

ANCHORS PRESIDENT
Mrs. Rebecca Hill
E-mail: lbhtimwolf@aol.com

COMMITTEES (Cont'd.)

POLICY COMMITTEE CHAIR
CDR Gary Barron, USN
E-mail: grbarron2@comcast.net

CONSTITUTION & BY-LAWS COMMITTEE CHAIR
LTJG Lynn Valverde, USN
E-mail: bulldogpup@cox.net

RESOLUTIONS COMMITTEE CHAIR
CAPT Mileva Hartman, USNR
E-mail: mhartman@nsf.gov

AWARDS COMMITTEE CHAIR
CAPT Larry Danielson, USNR (Ret)
E-mail: captlrd@yahoo.com

NOMINATIONS COMMITTEE CHAIR
LCDR Gail Holzworth, NC, USNR (Ret)
E-mail: Misslorton@aol.com

SITE SELECTION COMMITTEE CHAIR
CAPT George Westwood, USN
E-mail: gwestwood@earthlink.net

STRATEGIC PLANNING COMMITTEE CHAIR
CAPT Larry Roy, USNR (Ret)
E-mail: lwroy@prodigy.net

INVESTMENT OVERSIGHT & AUDIT COMMITTEE CHAIR
CAPT Haig Bodour, SC, USNR (Ret)
E-mail: (temporarily unavailable)

SCHOLARSHIP COMMITTEE CHAIR
CAPT Ron Bowers, MSC, USNR (Ret)
E-mail: ah106SRU@aol.com

DISTRICT PRESIDENTS

FIRST DISTRICT
LCDR Craig Larson, USN
E-mail: f14hitter@hotmail.com

THIRD DISTRICT
CAPT Thomas Caulfield, USNR (Ret)
E-mail: caulfield@adelphia.net

FOURTH DISTRICT
CDR Edward "Andy" Yeaste, USN, Acting
E-mail: eyeaste@packagingcorp.com

FIFTH DISTRICT
CAPT G. Mark Hardy III, USN
E-mail: gmhardy@usnr.org

SIXTH DISTRICT
LT Louise Anderson, MSC, USN
E-mail: louise.anderson@flhosp.org

EIGHTH DISTRICT
CDR Ed Nava, USN
E-mail: ejnava@lanl.gov

NINTH DISTRICT
RADM Richard Young, USNR (Ret)
E-mail: dickyoung@4dv.net

ELEVENTH DISTRICT
CAPT Larry Danielson, USNR (Ret), Acting
E-mail: captlrd@yahoo.com

TWELFTH DISTRICT
CAPT David Epstein, USNR (Ret)
E-mail: davidepstein@sbcglobal.net

THIRTEENTH DISTRICT
CAPT Marshall Hanson, USNR (Ret)
E-mail: pacnwmailbuoy@juno.com

FOURTEENTH DISTRICT
CAPT Gayle Lau, JAGC, USN
E-mail: laug004@hawaii.rr.com

FIFTEENTH DISTRICT
CAPT George Westwood, USN
E-mail: gwestwood@earthlink.net

From the *Editor*

Another year is upon us; and as I gaze into the crystal ball, the only thing that seems certain is that there will be surprises along the way. Our Navy Reservists continue to step up to the plate and respond in ways never before imagined. Now, through the middle of January, we are mobilizing 161 Navy Reservists to fill "in-lieu-of" battalion and brigade-level Civil Affairs billets. We are also about to provide 22 Reservists to assist with the Navy assumption of the Horn of Africa operations. Thank God for them and for their families.

We begin the year on a sad note. One of your Association's great benefactors, CDR Bill Mellish, has passed away. Please note our commemoration to Bill on page seven. We wish his wife, Captain Lucille Mellish, peace during this difficult time in her life.

The pace of change in our Navy Reserve is nothing short of astounding. And, lest we forget, the same can be said for "Big Navy." At a recent retired flag officer conference, CNO Mullen spoke at some length about blue water, green water, and brown water naval activities and our need to balance the force across this spectrum of maritime combat power. The establishment of the Navy Expeditionary Combat Command is a step down that road. On 29 & 30 November, the Office of the Assistant Secretary of Defense for Reserve Affairs and the Reserve Forces Policy Board hosted a two-day seminar titled "The New Reserves: Strategic in Peace, Operational in War." Coincidentally, one theme that surfaced was that the Navy is still too focused on blue water and major conflict in the open ocean. Another is that Guard and Reserve forces will continue to be called to serve forward for the foreseeable future.

In my view, the reserve role in this new war, as opposed to the Cold War, requires that DoD review the manner in which Reservists are compensated to include retirement and benefit packages. The DoD does not want to do this, your Association will continue to work with Congress to see that it happens.

Our rapidly changing seascape leaves me with two major concerns: The first is that, as we transition into the Active Component, we must ensure the preservation of viable career paths for our officers and enlisted alike. That must include senior leadership responsibilities and command. As I see it, that is a challenge for the Chief of Navy Reserve, and the Association will assist VADM Cotton wherever possible. Second, within any organization that is undergoing drastic change, there is a great potential for important personnel issues to be lost in the process. We must continue to improve the process which governs transition to and from a recall to active duty – more on this to follow.

Last month, President Quaglino and Executive Vice President Barron visited Headquarters. During that trip, President Q. and I had a productive meeting with the Honorable William Navas, Jr., Assistant Secretary of the Navy (Manpower & Reserve Affairs); Mr. Barney Barnum, Jr., Deputy Assistant Secretary of the Navy (Reserve Affairs); and VADM Cotton. President Q. and I also visited VADM Norb Ryan, President of MOAA. These discussions are an important part of the Washington process, and I was glad that your President could attend.

This month is our annual tax issue, and LT Marc Soss has provided his usual outstanding insight. If you were a Katrina victim or if you were recalled to a combat zone this year, there are important words for you. See pages 18 & 19.

LT Michaels' column on Navy Leadership – Part 2 continues his discussion of the seminar conducted by CAPT Abrashoff. What a great leadership example on page 25, CAPT Abrashoff shows all of us that we can be better.

As always, enjoy the read.

Warm regards,

Casey Coane
National Executive Director

Naval Reserve Association NEWS

1619 King Street, Alexandria, VA 22314
Tel: 703-548-5800 • Fax: 703-683-3647
Toll Free Voice: 1-866-NRA-4-YOU (672-4968)
Toll Free Fax: 1-866-683-3647
E-mail: nranews@navy-reserve.org
Home Page: www.navy-reserve.org

EDITORIAL
Editor: RADM Casey W. Coane, USN (Ret)
Associate Editor: CAPT Thomas L. McAtee, USNR (Ret)
Assistant Editor: Linda Bautista

GRAPHICS/PRODUCTION
Linda Bautista

ADVERTISING
Mr. Bob Lyman

HEADQUARTERS STAFF

NATIONAL EXECUTIVE DIRECTOR
RADM Casey W. Coane, USN (Ret)
E-mail: exec@navy-reserve.org

DEPUTY EXECUTIVE DIRECTOR
DIRECTOR OF MEMBER SERVICES
CAPT Tom McAtee, USNR (Ret)
E-mail: stratcom@navy-reserve.org

CHIEF FINANCIAL OFFICER
Mr. Bob Lyman
E-mail: cfo@navy-reserve.org

DIRECTOR OF LEGISLATION
CAPT Ike Puzon, USNR (Ret)
E-mail: legislat@navy-reserve.org

DIRECTOR, PROFESSIONAL DEVELOPMENT
CAPT Art Schultz, Jr., USNR (Ret)
E-mail: record.review@navy-reserve.org

DIRECTOR OF MEMBERSHIP
CAPT Art Schultz, Jr., USNR (Ret)
E-mail: memdir@navy-reserve.org

MEMBERSHIP ASSISTANT
Mark De Ville
E-mail: membership@navy-reserve.org

SENIOR ADMINISTRATIVE ASSISTANT
Linda Bautista
E-mail: nranews@navy-reserve.org

ADMINISTRATIVE ASSISTANT
Millie Pistolesi
E-mail: admin@navy-reserve.org

SUBMISSIONS
Letters to the Editor are encouraged. They may be edited for length, style, and clarity. Mail to Letters to the Editor at NRA NEWS, or e-mail to exec@navy-reserve.org. Include your name, address, and daytime phone number for verification. Name may be withheld upon request. Articles – For guidelines on article submission, call or write NRA Headquarters, or E-mail nranews@navy-reserve.org.

SUBSCRIPTIONS
NRA NEWS is part of membership in the Association. To join, renew your membership, or to report address changes, call or write NRA Headquarters, or E-mail membership@navy-reserve.org.

Naval Reserve Association
Corporate Associates

Premier Corporate/Association Team Supporting the United States Navy and Navy Reserve

Platinum (Ten-Year) Partnership

IBM Federal

Silver (Three-Year) Partnership

Military.com

Charter Members

Lockheed Martin
The Boeing Company
Gulfstream Aerospace
BAE Systems
USAA
MBNA America

Joined in 1999 - 2005

Rosen Associates Management Corp.
Aquila℠ Group of Funds
BB&T
Apogen Technologies
CACI International, Inc.
Uniformed Services Benefit Association

CDR Joseph Quaglino, Jr., USN (Ret)
National President

IMMEDIATE PAST NAT'L. PRESIDENT
CAPT John Eric Lindell, USN (Ret)

PAST NATIONAL PRESIDENT
RADM Stephen S. Israel, USNR (Ret)
CAPT Richard W. Hendel, USNR (Ret)*
CAPT Arthur C. Monson, USNR (Ret)
RADM James J. Carey, USNR (Ret)
CAPT Robert Lamar Bell, JAGC, USNR (Ret)
CAPT J. Robert Lunney, JAGC, USNR (Ret)
RADM Lester R. Smith, USNR (Ret)
CAPT Kenneth J. Welch, USNR (Ret)
CAPT Pat R. Lucci, USNR (Ret)
CAPT John C. Rice, Jr., USNR (Ret)
CAPT Curtin R. Coleman II, USNR (Ret)
RADM Philip W. Smith, USNR (Ret)*
CAPT Fred D. Carl, USNR (Ret)
CAPT Robin W. Goodenough, USNR (Ret)
CAPT Morton Leavitt, USNR (Ret)*
CAPT Leslie A. Willig, USNR (Ret)*
RADM Ray Ackerman, USNR (Ret)
CAPT Robert B. Bolt, USNR (Ret)*
CAPT Robert I. Barto, USNR*
CAPT Donald V. Osborne, USNR (Ret)*
CAPT George A. O'Connell, Jr., USNR*
CAPT A. Winfield Chapin, USNR*
CDR Richard K. West, USNR*
CWO Sidney Fields, USNR*
CDR Clayton L. Burwell, USNR (Ret)*
CAPT J. Mack Young, USNR*
CAPT Blaney C. Turner, USNR*
*Deceased

A Demanding Year Ahead

Happy New Year to all! The uncertainty of the Navy Reserve future and continued changes to the way the Navy will operate provide many challenges for our Association.

But first, I would like to share some thoughts about CDR Bill Mellish who passed away in November. Bill was a good friend and an outstanding supporter of our Association. His first love was his wife Lucille, and his second love was the Naval Reserve Association. He joined the Association in 1965 and has attended almost every meeting, except for one meeting because he fell off a ladder, and recently, due to serious illness. Not only has he served the Association in various elected and appointed positions, but also, he has been a significant financial supporter. Bill and Lucille have contributed to the Headquarters building fund and scholarship program and have provided all the furnishings for our Headquarters conference room, including a unique desk that was built in New Orleans.

CDR Mellish will receive full military honors at Arlington National Cemetery on 6 February 2006. We will sincerely miss Bill's camaraderie!

Last month, our Executive Vice President, CDR Gary Barron, and I visited Headquarters to interface with the staff. RADM Coane and I were invited to lunch with Assistant Secretary of the Navy, Manpower and Reserve Affairs, the Honorable William Navas, Jr. Also in attendance were Mr. Barney Barnum, Jr., Deputy Assistant Secretary of the Navy, Reserve Affairs; VADM Cotton; and two of his Deputies. We had a very productive first meeting that lasted over two hours. At the conclusion, we were invited to meet VADM Cotton's staff and to attend his Forces Command biweekly update. We successfully opened lines of communication and developed a good rapport. He also agreed to support our Spring Conference in April and approved of our Professional Development program that will be directed by our National Vice President-Development CAPT Larry Weill. RADM Coane, Gary, and I subsequently met with Dennis M. McCarthy, Lieutenant General, USMC (Ret), Executive Director of the Reserve Officers Association, and their National President, Robert W. Smith III, Major General, USAR (Ret) at their headquarters. Next, we traveled to the Military Officers Association of America and met with their President, VADM Norbert R. Ryan, Jr., USN (Ret).

The Association's annual Christmas/Holiday party was held at Headquarters on 8 December and was well attended by dignitaries from the Pentagon, fellow Associations, and local NRA members. It should be noted that the Honorable Thomas Hall, Assistant Secretary of Defense (Reserve Affairs); DASN(RA) Barnum; and VADM Cotton were in attendance. We also had the privilege of being invited to and attending the staff party at the offices of ASD(RA) in the Pentagon.

As a result of these interactions, we now have a better insight into the methodology being employed by the Navy in its transition from a "Cold War" posture to the GWOT requirements. The "old Navy" is no more, and our vocabulary and rolls have changed. To survive in the current arena, we must be relevant and be willing to accept duty beyond 48 drills and 14 days of annual training duty. The new model stresses cost effectiveness of assets. And as such, there will be considerable discussion and, eventually, change in the total compensation of military personnel. We must be up-to-speed on the potential changes and in concert with our fellow military associations to ensure that our military personnel are fairly compensated for the changing expectations of their reserve performance.

Looking forward to our Spring Conference, RADM Coane and I are developing an exciting program that will be of benefit to drilling Reservists and our retired members. Next month's issue of *NRA News* will contain details and planning information.

Joseph Quaglino, Jr.
National President

Friend, Sailor, and Seabee Passes On

Commander William Joseph "Bill" Mellish, Civil Engineer Corps, United States Naval Reserve (Retired), a principal benefactor to the Association and namesake of the historic headquarters, Mellish-Weeks Building, passed away on 14 November 2005 in Palo Alto, CA, his home for the past 56 years. Born 26 February 1922, he was 83. We will miss him greatly.

With calloused hands and a team of horses, he plowed farm fields in western Pennsylvania. He hunted game and played right tackle on the East Brady High School football team – prior even to the use of face masks! Valuing education, he enrolled in Grove City College in western Pennsylvania in the fall of 1940. His college expenses were paid by working in a limestone mine located in Boyers, PA. Today, the tunnels he helped build are used as a national records storage center.

As with most of his generation, he enlisted in the Armed Forces, in his case the United States Navy, in the fall of 1942. In 1943, he was selected for the V-12 program at Brown University in Providence, RI. In 1944, he was placed in the 22nd class of midshipmen at Columbia University in New York City and was commissioned an Ensign of the line on 8 March 1945. During WW II, as "plank owner" of the heavy cruiser *USS COLUMBUS* (CA-74), he was the Electrical Division Officer within the engineering department. The ship served in the Pacific theater. Following a stop in Tokyo after the Japanese surrender, *COLUMBUS* spent the winter of 1945 anchored in Tsingtao harbor. The next stop was Shanghai where they spent the spring of 1946.

Upon release from active duty in September 1946, he returned to Brown University and graduated in June 1947 with a Bachelor of Science degree in Engineering. A marriage, a move to the San Francisco bay area and the arrival of his son inspired him to seek gainful employment. His career as a State of California highway engineer began in December 1947. As a Naval Reservist, he was recalled for duty during the Korean conflict. He served aboard *USS MISSOURI* (BB-63) from January 1951 to January 1953. When not in the Pacific, the battleship visited England, Norway, France, Cuba and Haiti. Following his release from active duty, he changed his designator from line to Civil Engineer Corps to better match both his education and civilian career. His pride in the Seabees was unwavering. In July 1965, he became Commanding Officer of Reserve Mobile Construction Battalion and served in that capacity until July 1968. During the Viet Nam conflict, he volunteered for a two-year tour of active duty as head of the Seabee Reserve Program for the Twelfth Naval District. Among his campaign and service medals are China Service, Korea Service with three Bronze Stars and Korean Presidential unit citations.

In between armed conflicts he was employed by the California Department of Transportation as a Resident Engineer responsible for the building and repairing of state highways. He retired from the State of California in September 1987 after 40 years of service.

In his later years, he established the Naval Reserve Association scholarship program. All say today that "without Bill Mellish's" leadership, drive and personal contributions, the program would have never flourished. Since 1998, the scholarship program has benefited 65 deserving undergraduate students.

As a devoted family man, in 1996, he sponsored the first of nine annual Mellish/Weeks family cruises. Over 80 members of the clan attended the last cruise, which toured the five Great Lakes on a private yacht. CDR Mellish is survived by his wife CAPT Mildred Lucille Weeks Mellish, NC, USNR (Ret); one son Markham and two grandchildren, Alan and Alison (all of Maple Ridge, British Columbia, Canada); three brothers, Eugene of Keene, NH; Gordon of Clemmons, NC; and David of Pitman, NJ; along with many nieces and nephews from four generations.

His remains will be interred with full military honors in Arlington National Cemetery on 6 February 2006 at 1300.

Usage High for New Reserves

By CAPT Ike Puzon, USNR (Ret), Director of Legislation

By the time you read this article, Congress will, in fact, have completed the authorization bill by mid-December, and hopefully, the Defense Appropriations Act as well. What's wrong with this picture? Two months have passed in the FY06, and our service members, their families, and unit commanders are operating under a continuing resolution. For those who operate in the military, this is almost a totally untenable position. Your involvement with your Congressional delegation can change these types of things, including obtaining legislative goals.

For the "new" Navy Reserve, it is more of a hole to be in, since, in FY06, the Navy Reserve will take a cut of 10,300 billets in end-strength; and no one will care or blink an eye – or even remember the cut. Recently, CNO announced the disestablishment of the last three Reserve VP squadrons; and few have paid attention. There are other pending resource cuts in the Senate appropriations version of the Defense Appropriations Act. Why? Few have paid attention to the cuts, even though GAO-06-125 reports (www.gao.gov) that Navy did not use the most cost-effective mix in considering the cuts. We all agree that change has to take place; and one way to do it for the Navy is to make sure the Navy Reserve is changed, or is that "transformed," or is that "resource cut"?

This week, we saw the roll out of the concept of the "New Reserves – Strategic in Peace, Operational in War." This term has as much meaning as the old term – Total Force – has had for the last 30 years. Many smart people and groups tried to define a "Total Force." At the recent conference, The Duke of Winchester (Major General for UK reserve forces), and Dr. Thomas Barnett – the author and former professor at the Naval War College – both showed a willingness to look outside of the old traditional DoD noninnovative box and to challenge old ideas and the new ideas. The one thing we all know for sure from this conference: Guard and Reserve forces will be used more, and any change in benefits will be resisted by OSD and the Services more and more! The mantra is – stop thinking in the Cold War syndrome, and look into the future. We agree! But, perhaps we all have to get past Cold War syndromes.

The Duke used a refreshing tactic that has been lost in our world of Power Point rangers, he did not use Power Point slides to get his idea across! Some of his ideas:

- Culture of volunteerism is alive and well in the Reserves – for now!
- Guard & Reserve have a lower burnout point, so we have to pay attention to this.
- Guard and Reserve are doing this not for the money at first.
- The meaning of Total Force has been lost over time, due to nondefinition.
- People and equipment are important to Reserve Components and to our countries.
- We are not likely to stop calling on our Reserve forces, so we have to get it right or risk losing these people and our national support in mass!

If you care about our National Military Strategy, and the National Guard and Reserve Components, then you may want to read Dr. Barnett's books, *The Pentagon's New Map*, and his new book, *Blueprint for Action*. They are more than worth your time to read and ponder. He presents some new common sense approaches to what we have been doing and, in reality (perhaps), to where we are going.

From recent DoD briefs, of the 828,000 members of the Selected Reserve members in all Services, we have used 524,000 of them at least once since 9-11-01. This is an interesting point when you look at the numbers that are involved in Operation Iraqi Freedom or deployed throughout the world for one operational mission or another. These numbers speak for themselves. Remember, the goal of DoD and the Services is to use Guard and Reserve at least one year in a six-year period, or less. I believe anyone in the Guard and Reserve who stays understands the change and is ready. The question remains, are the Services, DoD, and the Nation ready for what that does to the Guard and Reserve member and their families? ⚓

Naval Reserve Association 2006 Conferences

Spring 2006 Conference – Washington, DC
Sheraton Crystal City; 20-22 April 2006

Fall 2006 Conference – Portland, OR
Benson Hotel; 5-7 October 2006

Military Retirement Pay Taxation

LCDR Joseph Golding, USNR (Ret)
National VP for Retired Personnel

If your retirement pay is based on age or length of service, it is taxable and must be included in your income as a pension.

However, there are many states that don't tax retirement pay of military retirees: Alabama, Alaska, Florida, Hawaii, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Washington, Wisconsin, and Wyoming.

The following is a list of veterans' benefits that are not taxable:

a. Education, training, and subsistence allowances. Educational benefits cover high-tech and vocational-technical programs, correspondence courses, certification tests, apprenticeship/job training, and flight training. Many states offer veterans' benefits which include educational grants and scholarships, and special exemptions or discounts on fees and taxes, home loans, and veterans' homes.

b. Disability compensation and pension payments for disabilities paid either to veterans or to their families. Disability compensation is paid for a combat-related injury or sickness that results directly from armed conflict; takes place while engaged in extra-hazardous service; takes place under conditions simulating war, including training exercises; and is caused by an instrumentality of war. Disability compensation is excluded for injuries resulting directly from a terrorist or military action. A terrorist action is one that is directed against the United States or any of its allies. A military action is one that involves the Armed Forces of the United States and is a result of actual or threatened violence or aggression. It does not include training exercises.

c. Rehabilitative program payments. This includes VA payments to hospital patients and resident veterans for their services under the VA's therapeutic or rehabilitation programs.

d. Grants for homes designed for wheel-chair living.

e. Grants for motor vehicles for those who lost their sight or the use of their limbs.

f. Veterans' insurance proceeds and dividends under the National Service Life Insurance Act of 1940 paid either to veterans or their beneficiaries, including the proceeds of a veteran's endowment policy paid before death.

g. Interest on insurance dividends left on deposit with the Veterans' Administration. If an individual uses accumulated dividends to buy additional life insurance, neither the dividends nor the paid-up insurance is taxable.

h. Qualified long-term care benefits. This was the result of President George W. Bush's signing the Military Tax Relief Act of 2003.

i. Benefits under a dependent-care assistance program; and

j. Burial services, death gratuity payments up to $3,000 for survivors, travel expenses to the burial site, and any dislocation costs following death are not taxable.

It should be noted that concurrent receipt may be taxable in the same manner as your retirement pay, but combat-related special compensation (CRSC) pay is not taxable.

For further information on military pensions, veterans' benefits, exceptions, and extra regulations, consult the section "*Taxable and Non Taxable Income*" in Publication 525 of the *Internal Revenue Service Manual*, 2004 edition. You can access the publication by going to the Web site www.irs.gov. Another excellent resource is the Web site www.military.com.

Cost Data for Retired Military Personnel and Survivors

	Total	Retirees from an Active Duty Military Career	Disability Retirees	Reserve Retirees	Survivor Benefit Recipients
FY2006 (est)	2,117.000 $39.59 billion	1,440,000 $32.63 billion	88,000 $1.22 billion	290,000 $3.36 billion	299,000 $2.38 billion

Did you know that since 1982, when the COLA was 14 percent, Congress has discussed modifications to COLA to reduce costs in payments to retirees. It would be foolish to think that COLA cuts are "off the table" for future Congressional sessions.

CAPT Larry Weill, USN
National VP for Professional Development

Get Rid of Those Big Unit Blues

One of the most perplexing phone calls I receive on a regular basis is from officers, usually commanders, who want to know how to succeed inside a large unit. The conversation usually goes something like this: "I've always been in a small unit, and I've often been ranked '1 of 1' against myself. Suddenly, I'm being grouped with thirty, or forty, or more commanders in my FITREP group. What should I do?"

Well, the first thing I'd do, if I were in your shoes, would be to celebrate. Not too long, and not too hard, but this is a cause for celebration. Because only now (and perhaps for the first time in your career) will you have the opportunity to show what you've got. It is a chance to earn that breakout FITREP that shows you are ready for the next step. You just can't do that with an unbroken chain of "1 of 1's." But it's going to take some hard work – the kind that you enjoy anyway. So here are some tips for planning your success.

First of all, when you are assigned to a very large unit (e.g., over 100-150 people), you will find that the command structure will be well established long before the date you report. Good commanding officers will have designated their XOs and their Department Heads long before the start of the fiscal year, so you probably won't have the chance to start out at that level. *But ask anyway!* The day that you first learn of your new billet, you should be on the Internet and on the phone, e-mailing and calling your new CO/XO. Volunteer for anything that they do have open.

In most new units, you will find that they have a comprehensive (and sometimes lengthy) training/qualification period, during which you may be required to attend formal courses. Some of these courses may take up entire drill weekends, so that your first opportunity to do any work for the unit will be four-to-five months into the year. Suggestion: try to get through these qualifications as quickly as possible. If you have an extra day or two to use as nonpaid additional drills, consider using them for this purpose. Finish your required training early so that you will be ready to move into a job as soon as possible. A FITREP filled with bullets reporting "course completions" will not move you ahead in the world today.

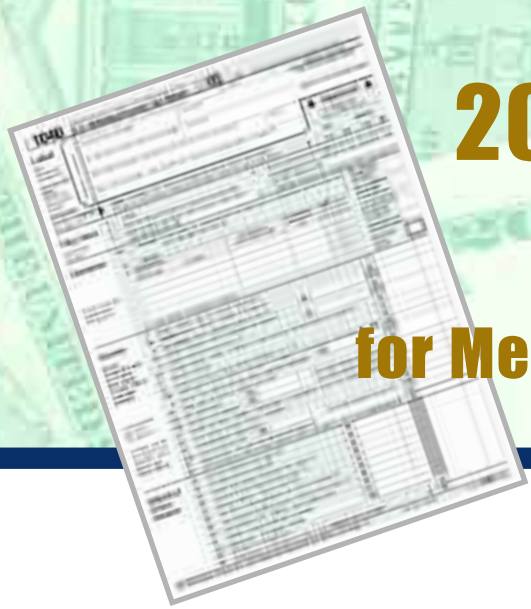
In many large units, the organizational chart includes an assistant department head for training, admin, etc. Very often, these spots go begging for volunteers. Why? I can't give you an answer, because these assistants often "fleet up" to the DH job within a year. And yet, most COs have a tough time getting officers to raise their hands for these duties. Suggestion: raise your hand for these duties! They are a fast-track to a role as a "player" in your unit.

The next point to discuss is your actual job within the unit, and more importantly, within the supported command. Each of us should keep this in mind as Job #1. (Remember, *support to the fleet . . . ready and fully integrated.*) Each of us must be technically proficient in the job that we will perform for our supported command when we mobilize. This involves professionalism at the highest levels; one that will constantly challenge our expectations of ourselves.

I urge you to complete your command's qualifications as quickly as possible (once you complete your indoctrination training). If this means serving as a command duty officer in an operations center, then try to qualify within the first six months after standing your first watch. Schedule your AT so that you can accelerate this pace, if possible. Become the very best officer, from an operational sense, that you can be. The ultimate goal is for your fellow watch standers to think of you as a member of the Active Component.

I want to stress a caveat to this past paragraph. While you are serving within your supported command's watch (or administrative) organization, *always make sure that you are doing something to support your unit at the same time.* This is important, as you need to maintain some degree of visibility to your own CO. Keep your duties as Assistant Training Officer, and then be the Training Officer the following year. Accept other collateral duties, if offered. Become the indispensable officer that your CO/XO needs for planning the following year's schedule. You will find that, with planning and a bit of extra work, you will have time to do great things for both your supported command and your Reserve unit. This is the key to surviving *and flourishing* in a large unit.

Finally, while planning all this great stuff for your own career, don't forget to turn around and help some of those JOs who are working with you. Remember, if you think that you feel lost in a big unit, consider how a new lieutenant must feel, standing in the back of the ranks behind 75 captains and commanders! All senior officers have experience that can be passed along to the lieutenants and lieutenant junior grades who are trying to find their own ways along the path. By spending just a little time with these junior officers, you can make a big difference in their careers. You will probably find that your own career becomes more rewarding as well.



2005 Federal Return Tips

for Members of the Navy Reserve

By LT Marc J. Soss, SC, USN

Most Naval Reservists have two full-time employers (civilian job and the Navy 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 2005 Federal Income Tax Return (Form 1040); make you aware of available tax credits and deductions; and 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 2005 Federal Income Tax Return

Unless an extension is filed, your 2005 Federal Income Tax Return must be filed with the Internal Revenue Service on or before 15 April 2006. The following portion of this article will assist you in preparation of your 2005 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 (Social Security number(s) and relationship to you) about them. You may be able to deduct $3,200 on line 42 for each exemption listed on the return. An additional exemption may be available if you provided housing to someone displaced by Hurricane Katrina.

Lines 7-22: Income: Your 2005 income and benefits consist of the following:

Civilian income: Salary or wages; 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.

Military income: Basic pay (active duty, back wages, drills, reserve training); special pay (aviation career incentives, career sea, diving duty, foreign duty [outside the 48 contiguous states and the District of Columbia], foreign language proficiency, hardship duty, hostile fire or imminent danger, medical and dental officers, nuclear-qualified officers, special-duty assignment pay); bonuses (career status, enlistment, overseas extension, reenlistment); and incentive pay (submarine, flight, hazardous duty, high altitude/low altitude [HALO]).

Foreign Source Income: Income (earned and unearned) from sources outside the United States must be reported unless exempt by U.S. law. Certain taxpayers can exclude income earned in foreign countries. However, the exclusion does not apply to the wages and salaries of military and civilian employees of the U.S. Government.

Important Note: Individuals mobilized or who performed Active Duty for Special Work (ADSW) will receive two W-2 statements for the tax year. The W-2's are a function of the two pay systems operated by the Defense Finance and Accounting Service (DFAS) that provide military pay: (1) all active duty personnel (mobilized, Presidential Recall, and ADSW [periods greater than 30 days]); and (2) all inactive duty personnel (drill pay, Annual Training, Active Duty for Training, and Funeral Honors Duty).

Military Exclusion from Income: Living (Basic Allowance for Housing, Basic Allowance for Subsistence, housing and cost-of-living

allowances abroad); moving allowances (dislocation, base realignment and closure benefit paid after 11 November 2003, moving household and personal items, storage, temporary lodging, and associated expenses); travel allowances; combat zone pay (limited for officers); family allowances (education expenses for dependents; emergencies, evacuation to a place of safety); death allowances (burial services, death gratuity payments to eligible survivors, travel of dependents to burial site, counseling); ROTC education and subsistence allowances; survivor and retirement protection plan premiums; uniform allowances; in-kind military benefits (dependent-care assistance program, legal assistance, medical/dental care, commissary/exchange discounts, space-available travel on government aircraft).

Methods to Reduce Taxable Income:

Retirement Account(s): A member of the Naval Reserve is permitted to participate in a retirement account (employer sponsored or on an individual basis). 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 deductions 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 retirement plan deduction due to your drilling as a Naval Reservist, quote the above IRC references and contact the Naval Reserve Association.

a. *Employer Established Retirement Plans:* The 401(k) elective deferral limit is $14,000. If you will be 50 years old by 31 December 2005, you may contribute an additional $4,000 (catch-up contribution).

b. *Individual Retirement Accounts:* IRA Contributions, to be deductible, are subject to various limitations (filing status and "Modified Adjusted Gross Income"). If your spouse is covered by a Pension or Profit Sharing Plan, you will be able to deduct your IRA contributions subject to a phase-out, if your joint modified AGI is $150,000 to $160,000. All others can contribute to an IRA on a nondeductible basis. In addition, deductible IRA contributions up to $4,000 (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.

c. *Thrift Savings Plan:* Members of the 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 2005, the IRS elective deferral limit is $14,000. If you are over age 50, you may also make an additional catch-up contribution of $4,000. Those that contribute to the TSP from their basic pay may also contribute from their incentive or special pay (including bonus pay).

Lines 23-37: 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 standard deduction amounts are the following: $5,000 for single or married filing separately; $10,000 for married filing jointly or qualified widow; and $7,300 for a head of household.

Miscellaneous Itemized Deductions:

These deductions phase out at $145,950 for single and joint tax filers and at $72, 975 for separate returns filed by a married individual. Itemized deductions will 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 two percent 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 at $135,000 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: 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. 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. Gifts in excess of $250 require 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 one hundred (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 $90,000 in 2005, 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 chiropractor 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 2% 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, is 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 Sarasota, FL, and performing drills at MacDill AFB, Tampa, FL, 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 Sarasota plus any incidental costs, i.e., rental car in Tampa, parking at the Tampa airport, staying at the MacDill AFB CBQ (if available), out-of-pocket meals (subject to 50 percent limitation), mileage to and from the Tampa 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 nonworking 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.

Transportation Expense Calculation: The deductible mileage rate is 40.5 cents per mile for all miles driven for business from 1 January 2005 through 31 August 2005. The rate increases to 48.5 cents per mile for all miles driven for business from 1 September 2005 through 31 December 2005.

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: (i) the date the vehicle was placed in service; (ii) total mileage that the vehicle was used in 2005; (iii) miles used for business (including Naval Reserve); (iv) percentage of business use; (v) average daily round-trip commuting distance; (vi) miles that vehicle was used for commuting; and (vii) other personal mileage.
c. In addition, you must answer the following questions: (i) whether another vehicle was available for personal use; (ii) whether the employer provided the vehicle; (iii) whether personal use was permitted during off-hours; (iv) whether evidence exists to support the deductions; and, if so, (v) whether such evidence is written.

All of 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 workplace 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%): Officers are not entitled to reimbursement for their meals so the expense is deductible on Form 2106. In 2005, 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, 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 officer's 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% for Business and Naval Reserve Purposes (Records are Required): The use of 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.

Attending NRA Semiannual and Chapter Meetings: National Officers, Anchors, delegates, representatives, and committee members attending semiannual or chapter meetings in 2005 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, including travel, meals, purchase of 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 Reserves IAW Permissive Orders: Retired Reservists that 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 (1) the member will not accrue additional retirement points; (2) the member will not perform additional service for pay purposes (annual training); (3) participation is strictly on a voluntary basis; (4) no IDTT or ADT can be performed; and (5) 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 is 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*]

Lines 38-45. Tax.

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 2005, the standard deduction amounts are the following: $5,000 for single (or married filing separately); $10,000 for married filing jointly (or qualified widow); or $7,300 for head of household. For those born before 2 January 1941, the standard deduction amounts are the following: $6,250 for single; $6,000 for married filing separately; $11,000 for married filing jointly ($12,000 if both spouses are over age 65); or $8,550 for head of household.

Income Tax Brackets

Married Individuals (Joint Return) and Surviving Spouse

Taxable Income:	*The Tax:*
Not Over $14,600	10% of the taxable income
Over $14,600 but not over $59,400	$1,460 plus 15% of the excess over $14,600
Over $59,400 but not over $119,950	$8,180 plus 25% of the excess over $59,400
Over $119,950 but not over $182,800	$23,318 plus 28% of the excess over $119,950
Over $182,800 but not over $326,450	$40,916 plus 33% of the excess over $182,800
Over $326,450	$88,320 plus 35% of excess over $326,450

Single Taxpayers

Taxable Income:	*The Tax:*
Not over $7,300	10% of the taxable income
Over $7,300 but not over $29,700	$730 plus 15% of the excess over $7,300
Over $29,700 but not over $71,950	$4,090 plus 25% of the excess over $29,700
Over $71,950 but not over $150,150	$14,653 plus 28% of the excess over $71,950
Over $150,150 but not over $326,450	$36,549 plus 33% of the excess over $150,150
Over $326,450	$94,728 plus 35% of the excess over $326,450

Head of Household Taxpayers

Taxable Income:	*The Tax:*
Not over $10,450	10% of the taxable income
Over $10,450 but not over $39,800	$1,045 plus 15% of the excess over $10,450
Over $39,800 but not over $102,800	$5,448 plus 25% of the excess over $39,800
Over $102,800 but not over $166,450	$21,198 plus 28% of the excess over $102,800
Over $166,450 but not over $326,450	$39,020 plus 33% of the excess over $166,450
Over $326,450	$91,820 plus 35% of the excess over $326,450

Kiddie Tax (Form 8814)

The Kiddie Tax applies to unearned income, in excess of $800, of a child under age 14. The child's unearned income between $800 and $1,600 will be taxed at the child's marginal income tax rate. Unearned income over $1,600 will be taxed at the parent's marginal income tax rate.

Line 46. Alternative Minimum Tax.

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). The 2005 exemption amounts 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 exemption amounts are phased out by an amount equal to 25 percent of the amount by which the individual's AMTI exceeds (1) $150,000 in the case of married individuals filing a joint return and surviving spouses; (2) $112,500 in the case of other unmarried individuals; and (3) $75,000 in the case of married individuals filing separate returns. The amounts are not indexed for inflation.

Lines 47-56. 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. Education Credit (Form 8863).
   a. HOPE Credit: A maximum $1,500 credits (100 percent on the first $1,000, plus 50 percent of the next $1,000) for qualified tuition and fees paid on behalf of a student (enrolled on at least a half-time basis). The credit is available for only the first two years of the student's post-secondary education.
   b. Lifetime Learning Credit: A maximum $2,000 credit (20 percent of qualified tuition and fees up to $10,000). A student need only take post-secondary classes to acquire or improve job skills.
   c. Both the HOPE and Lifetime Learning credit are phased out at modified AGI levels between $87,000 and $107,000 for joint filers, and between $43,000 and $53,000 for single taxpayers.
5. Child Tax Credit ($1,000 per qualifying child under age 17). 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. 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.
6. Adoption Credit (Form 8839). Up to a $10,630 credit for each child (special needs child receives the full $10,630 regardless of the amount of expenses). The credit ratably phases out at income levels between $159,450 and $199,450.
7. Mortgage Interest Credit.
   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.

8. Saver's Credit: A nonrefundable tax credit based on qualified retirement savings contributions to an employer plan made by an eligible individual (AGI of $50,000 or less on joint returns, $37,500 or less on head of household returns, and $25,000 or less on single returns). The credit is equal to the applicable percentage (based on filing status and AGI) of qualified retirement savings contributions up to $2,000.
9. Other Credits. Prior Year Minimum Tax; Qualified Electric Vehicle; General Business; etc.

Lines 58-63. 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 64-71. Payments.

This section includes: Federal Income Tax withheld (W-2 and 1099); estimated tax payments (2005 payments and amounts applied from 2004); 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 72-75. 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.

The following are additional factors that must be considered when completing your 2005 Form 1040 Federal Income Tax Return.

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 that served in a combat zone in 2005.

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 your 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 that 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) $4,000 ($4,500 if you are age 50 or over) is an excess contribution and must be withdrawn to avoid a six percent (6%) excise tax.

If your taxable compensation will be less than $4,000, 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 Plans

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 more spouse(s) 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 wife is a commissioned officer, a portion of the annual leave payment she receives for leave accrued during any month in any part of which 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.

MILITARY TAX DEFERRAL

The Servicemembers Civil Relief Act provides Reservists called to active duty and enlistees in the armed forces may qualify for a deferral of taxes owed if they can show that their ability to pay taxes was affected by their military service. The deferral applies to taxes that fall due before or during military service, and extends the payment deadline to six months (180 days) after the military service ends. No interest or penalty will accrue during the deferral period. A taxpayer must apply for the deferral and show how the military service affected the taxpayer's ability to pay. A taxpayer must also have received a notice of tax due, or have an installment agreement with the IRS, before applying for the deferral. It is important to recognize that the deferral does not extend the deadline for filing any tax returns.

COMBAT ZONE TAX FORGIVENESS

Federal income tax will be forgiven for the tax year in which a service member dies while serving in a combat zone or from wounds, disease, or injury sustained in a combat zone. The forgiveness will apply to taxes owed in the current year and for any earlier tax year ending on or after the first day the member served in the combat zone. Any tax liability that has been paid and is to be forgiven will also be refunded. The forgiveness insures that no tax liability will be imposed on the decedent's beneficiary(s).

Eligibility is based upon the following criteria: (1) death resulting from active service, wounds, disease, or injury sustained in a combat zone; or (2) death occurring while serving outside the combat zone but in direct support of military operations in the zone, and the member qualifying for hostile fire or imminent danger pay. The forgiveness provision also applies to any U.S. employee that dies from wounds or injury incurred in a terrorist or military action (activity primarily directed against the United States or its allies or any military action involving the U.S. Armed Forces resulting from violence or aggression against the United States or its allies).

The following documents must accompany all returns and claims for refund: (1) Form 1310, Statement of Person Claiming Refund Due a

Deceased Taxpayer, and (2) Certification from the Department of Defense or Department of State. The certification must include the following: (i) deceased individual's name; (ii) Social Security number; (iii) date of injury; (iv) date of death; and (v) statement that the individual died in a combat zone or from a terrorist or military action.

HURRICANE KATRINA TAX RELIEF

The Katrina Emergency Tax Relief Act of 2005 benefits individuals displaced from their principal residence (located in a core disaster area or Hurricane Katrina disaster area on 25 August 2005) due to the hurricane.

Use of Retirement Funds:

Withdrawals and Recontributions. Allows withdrawals, within one year of the disaster date, up to $100,000 from an eligible retirement account. The ten percent (10%) early distribution penalty tax will be waived and the income tax applicable to the withdrawal can be paid proportionally over a three-year period. Withdrawals recontributed into the retirement account during the three-year period, following the distribution date, will receive rollover treatment.

Recontribution of Withdrawals for Home Purchases. Retirement account withdrawals (between 28 February 2005 and 29 August 2005), for purposes of a home purchase in a Hurricane Katrina disaster area, may be recontributed (between 25 August 2005 and 28 February 2006) and receive rollover treatment. The withdrawal will not be subject to the 10% early distribution penalty tax.

Loans for Relief. Increases the size of retirement plan loans to the lesser of one hundred percent of the account balance or $100,000. Loan payments due between 25 August 2005 and 31 December 2006 may be delayed for one year while interest will accrue on the balance not paid.

Tax Credit and Exemptions:

Exemption for Housing Hurricane Katrina Displaced Individuals. Provides individuals, who allow individuals displaced by Hurricane Katrina to use their personal residence, an additional $500 personal exemption ($2,000 maximum) for each displaced person. The exemption requires a minimum 60-day stay in the home and is available in either 2005 or 2006.

Child Tax Credit and Earned Income Credit. Hurricane victims can use their 2004 income to calculate their child tax credit and earned income credit for their 2005 tax returns. This election can only be made if the victims 2005 earned income is less than 2004 earned income.

Charitable Giving:

Cash Contributions. Waives the individual income deduction limit (50 percent of AGI) for 2005 cash contributions made between 28 August 2005 and 31 December 2005.

Mileage Rate for Charitable Use. Increases the charity-related mileage rate to 34 cents a mile for use of personal vehicle in relief efforts between 25 August 2005 and 31 December 2006.

Tax Provisions:

Casualty Losses. Waives the $100 floor and ten percent (10%) of adjusted gross income (AGI) threshold for personal casualty losses incurred on or after 25 August 2005 in the disaster area. The Hurricane Katrina losses may only be claimed as an itemized deduction.

Extension of Time. Katrina victims are eligible for an extension until 28 February 2006 to file tax returns (income, state, and gift), pay any taxes (income, employment, or excise), file a claim for credit or refund, or make any deposits due. Applicable penalties and interest will be waived.

OTHER HURRICANE RELIEF

The tax relief extends until 28 February 2006 the deadline for impacted taxpayers to file their tax returns, pay taxes, and perform other time-sensitive acts. The tax relief will be automatic in counties designated by the Federal Emergency Management Agency (FEMA) as "individual assistance areas" while individuals in designated "public assistance areas" will be required to identify themselves to the IRS as hurricane victims by writing in red ink at the top of their tax forms or any other documents filed with the IRS.

The tax relief will benefit individuals who live, and a business whose principal place of business is located, in the covered disaster areas. The relief includes an abatement of interest and any applicable late filing, late payment, or failure to deposit penalties. The relief will apply to any tax return (individual income tax returns, corporation and S-corporation income tax returns, partnership tax returns, estate and trust income tax returns, estate and gift tax returns, exempt organization returns, employment tax returns, and certain excise tax returns), tax payment, or tax deposit with an original or extended due date falling on or after 23 September 2005.

All workers assisting in the relief activities will be eligible for the relief whether or not they are affiliated with a recognized government or philanthropic organization. In addition, any individual injured or killed as a result of visiting the covered disaster areas is entitled to the relief.

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 and Tampa, FL. He can be reached at SMSOSS@AOL.COM.

RESERVE DRILL PAY (Four Drills)

EFFECTIVE 1 JANUARY 2006

UNOFFICIAL

COMMISSIONED OFFICERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-10												1,709.16	1,709.16	1,709.16	1,709.16
O-9												1,558.60	1,581.00	1,613.48	1,670.08
O-8	1,102.80	1,138.92	1,162.88	1,169.60	1,199.48	1,249.48	1,261.08	1,308.56	1,322.16	1,363.04	1,422.16	1,476.72	1,513.16	1,513.16	1,513.16
O-7	916.36	958.92	978.64	994.28	1,022.64	1,050.60	1,083.00	1,115.32	1,147.72	1,249.48	1,335.44	1,335.44	1,335.44	1,335.44	1,342.20
O-6	679.20	746.16	795.12	795.12	798.12	832.36	836.88	836.88	884.44	968.52	1,017.88	1,067.20	1,095.28	1,123.68	1,178.84
O-5	566.20	637.82	682.00	690.28	717.80	734.32	770.56	797.16	831.48	884.08	909.08	933.84	961.92	961.92	961.92
O-4	488.52	565.52	603.24	611.68	646.68	684.24	730.96	767.44	792.72	807.24	815.68	815.68	815.68	815.68	815.68
O-3	429.52	486.92	525.56	573.00	600.40	630.52	650.04	628.12	698.76	698.76	698.76	698.76	698.76	698.76	698.76
O-2	371.08	422.68	486.80	503.24	513.60	513.60	513.60	513.60	513.60	513.60	513.60	513.60	513.60	513.60	513.60
O-1	322.16	335.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28	405.28

COMMISSIONED OFFICERS WITH MORE THAN FOUR YEARS ACTIVE DUTY AS AN ENLISTED MEMBERS OR WARRANT OFFICERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-3E				573.00	600.40	630.52	650.04	682.12	709.12	724.60	745.72	745.72	745.72	745.72	745.72
O-2E				503.24	513.60	529.96	557.52	578.88	594.76	594.76	594.76	594.76	594.76	594.76	594.76
O-1E				405.28	432.84	448.80	465.16	481.24	503.24	503.24	503.24	503.24	503.24	503.24	503.24

WARRANT OFFICERS (Navy, Coast Guard, Marine Corps, Army)

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
W-5												762.68	788.84	815.08	841.48
W-4	443.84	477.48	491.20	504.68	527.92	550.84	574.12	596.76	620.20	656.96	680.48	703.48	727.32	750.80	774.80
W-3	405.32	422.24	439.52	445.24	463.40	484.20	511.64	538.72	567.52	589.12	610.64	619.88	629.44	650.24	671.00
W-2	356.52	376.88	394.72	407.64	418.76	449.28	472.60	489.92	506.84	518.44	528.20	546.76	565.20	583.88	583.88
W-1	314.84	340.60	357.84	369.00	398.72	416.64	432.52	450.24	462.00	472.64	489.96	503.08	503.08	503.08	503.08

ENLISTED MEMBERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
E-9							536.28	548.44	563.76	581.80	599.92	629.04	653.64	679.60	719.20
E-8						439.00	458.44	470.44	484.84	500.44	528.60	542.88	567.16	580.64	613.80
E-7	305.16	333.08	345.84	362.76	375.92	398.60	411.32	424.04	446.72	458.08	468.84	475.44	497.68	512.08	548.48
E-6	263.96	290.40	303.24	315.68	328.68	358.00	369.40	382.04	393.16	397.08	399.80	399.80	399.80	399.80	399.80
E-5	241.88	258.04	270.48	283.28	303.16	320.28	332.88	336.88	336.88	336.88	336.88	336.88	336.88	336.88	336.88
E-4	221.72	233.08	245.68	258.12	269.12	269.12	269.12	269.12	269.12	269.12	269.12	269.12	269.12	269.12	269.12
E-3	200.16	212.76	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60	225.60
E-2	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32	190.32
E-1	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80	169.80

E-1 with less than four months: 157.08

UNOFFICIAL

ACTIVE DUTY BASIC PAY

EFFECTIVE 1 JANUARY 2006

UNOFFICIAL

COMMISSIONED OFFICERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-10												12,818.70	12,818.70	12,818.70	12,818.70
O-9												11,689.50	11,857.50	12,101.10	12,525.60
O-8	8,271.00	8,541.90	8,721.60	8,772.00	8,996.10	9,371.10	9,458.10	9,814.20	9,916.20	10,222.80	10,666.20	11,075.40	11,348.70	11,348.70	11,348.70
O-7	6,872.70	7,191.90	7,339.80	7,457.10	1,669.80	7,879.50	8,122.50	8,364.90	8,607.90	9,371.10	10,015.80	10,015.80	10,015.80	10,015.80	10,066.50
O-6	5,094.00	5,596.20	5,963.40	5,963.40	5,985.90	6,242.70	6,276.60	6,276.60	6,633.30	7,263.90	7,634.10	8,004.00	8,214.60	8,427.60	8,841.30
O-5	4,246.50	4,783.68	5,115.00	5,177.10	5,383.50	5,507.40	5,779.20	5,978.70	6,236.10	6,630.60	6,818.10	7,003.80	7,214.40	7,214.40	7,214.40
O-4	3,663.90	4,241.40	4,524.30	4,587.60	4,850.10	5,131.80	5,482.20	5,755.80	5,945.40	6,054.30	6,117.60	6,117.60	6,117.60	6,117.60	6,117.60
O-3	3,221.40	3,651.90	3,941.70	4,297.50	4,503.00	4,728.90	4,875.30	5,115.90	5,240.70	5,240.70	5,240.70	5,240.70	5,240.70	5,240.70	5,240.70
O-2	2,783.10	3,170.10	3,651.00	3,774.30	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00	3,852.00
O-1	2,416.20	2,514.60	3,039.60	3,039.60	3,039.60	3,039.60	3,039.60	3,039.45	3,039.45	3,039.45	3,039.60	3,039.60	3,039.60	3,039.60	3,039.60

COMMISSIONED OFFICERS WITH MORE THAN FOUR YEARS ACTIVE DUTY AS AN ENLISTED MEMBERS OR WARRANT OFFICERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-3E				4,297.50	4,503.00	4,728.90	4,875.30	5,115.90	5,318.40	5,434.50	5,592.90	5,592.90	5,592.90	5,592.90	5,592.90
O-2E				3,774.30	3,852.00	3,974.70	4,181.40	4,341.60	4,460.70	4,460.70	4,460.70	4,460.70	4,460.70	4,460.70	4,460.70
O-1E				3,039.60	3,246.30	3,366.00	3,488.70	3,609.30	3,774.30	3,774.30	3,774.30	3,774.30	3,774.30	3,774.30	3,774.30

WARRANT OFFICERS (Navy, Coast Guard, Marine Corps, Army)

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
W-5												5,720.10	5,916.30	6,113.10	6,311.10
W-4	3,328.80	3,581.10	3,684.00	3,785.10	3,959.40	4,131.30	4,305.90	4,475.70	4,651.50	4,927.20	5,103.60	5,276.10	5,454.90	5,631.00	5,811.00
W-3	3,039.90	3,166.80	3,296.40	3,339.30	3,475.50	3,631.50	3,837.30	4,040.40	4,256.40	4,418.40	4,579.80	4,649.10	4,720.80	4,876.80	5,032.50
W-2	2,673.90	2,826.60	2,960.40	3,057.30	3,140.70	3,369.60	3,544.50	3,674.40	3,801.30	3,888.30	3,961.50	4,100.70	4,239.00	4,379.10	4,379.10
W-1	2,361.30	2,554.50	2,683.80	2,767.50	2,990.40	3,124.80	3,243.90	3,376.80	3,465.00	3,544.80	3,674.70	3,773.10	3,773.10	3,773.10	3,659.70

ENLISTED MEMBERS

Grade/Yrs	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
E-9							4,022.10	4,113.30	4,228.20	4,363.50	4,499.40	4,717.80	4,902.30	5,097.00	5,394.00
E-8						3,292.50	3,438.30	3,528.30	3,636.30	3,753.30	3,964.50	4,071.60	4,253.70	4,354.80	4,603.50
E-7	2,288.70	2,498.10	2,593.80	2,720.70	2,819.40	2,989.50	3,084.90	3,180.30	3,350.40	3,435.60	3,516.30	3,565.80	3,732.60	3,840.60	4,113.60
E-6	1,979.70	2,178.00	2,274.30	2,367.60	2,465.10	2,685.00	2,770.50	2,865.30	2,948.70	2,978.10	2,998.50	2,998.50	2,998.50	2,998.50	2,998.50
E-5	1,814.10	1,935.30	2,028.60	2,124.60	2,273.70	2,402.10	2,496.60	2,526.60	2,526.60	2,526.60	2,526.60	2,526.60	2,526.60	2,526.60	2,526.60
E-4	1,662.90	1,748.10	1,842.60	1,935.90	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40	2,018.40
E-3	1,501.20	1,595.70	6,192.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00	1,692.00
E-2	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40	1,427.40
E-1	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50	1,273.50

E-1 with less than four months: 1,178.10

UNOFFICIAL

NAVY CORPSMAN WHO EARNED MEDAL OF HONOR IN OKINAWA BATTLE PASSES

Robert E. Bush, whose heroic actions as an 18-year-old Navy medical corpsman in May 1945 at the Battle of Okinawa saved the life of a badly wounded Marine officer, cost Bush his right eye, and made him the youngest Sailor to receive the Medal of Honor during World War II, has died. He was 79. His life was written about in the book, *The Greatest Generation,* by Tom Brokaw. The Naval Hospital at Twenty-nine Palms, CA, is named in his honor.

NAVY THINKING ABOUT 313-SHIP FLEET

Navy officials are considering a new proposal for a 313-ship fleet, which would require greater investments in shipbuilding accounts and an accelerated pace of ship construction. ADM Robert Willard, Vice Chief of Naval Operations, is spearheading a project to craft an "alternative shipbuilding plan" requested this summer by Chief of Naval Operations ADM Michael Mullen. The new Navy chief has stated that he wants to advance a vision of a specific fleet size in order to provide predictable funding for new ship construction, which is at near-historic lows. Details of the composition of the 313-ship fleet are being closely held, but sources familiar with the plan said it does not call for a drastic reduction in aircraft carriers and includes a fleet of eight amphibious strike groups as well as a fleet of new DD(X) destroyers. The total fleet size is buoyed by scores of planned Littoral Combat Ships. Today's fleet size is 281 ships.

NAVY HELICOPTERS WILL HELP RELIEVE OPERATIONAL LOAD FACED BY U.S. ARMY GROUND FORCES IN IRAQ

The Navy is taking additional steps to shoulder a portion of the warfighting burden carried in large part by U.S. ground forces in Iraq. Several Navy helicopter units are preparing for duty in Iraq as troop transporters or medical evacuation units and will transition to Iraq over the next year. The Navy units are assigned now to antisubmarine duties and as onboard delivery support helicopters for the U.S. Sixth Fleet. The transition to Iraq will require training for the crews and refurbishment of their helicopters. The commitment of helicopters is one way the Navy is making good on the initiatives of ADM Mike Mullen, Chief of Naval Operations – and his predecessor, ADM Vern Clark – to find ways the service can help lighten the load on the Army and Marine Corps.

MEDICARE PART D

Don't get confused! For TRICARE For Life eligible beneficiaries, there is ***no coverage or cost benefit*** to enroll in the Medicare drug program (commonly called Part D).

ATTENTION – PLAN AHEAD FOR NRA JUNIOR OFFICER OF THE YEAR FOR FY2005

JOY PROGRAM:

A. Selected Reservist – Two awards, one for line officer and one for staff officer.
B. Full-Time Support – Two awards, one for line officer and one for staff officer.
C. In regard to the exclusive NRA Bea Ratner Junior Nurse Corps Officer Award, if a Nurse Corps officer is selected as the Selected Reserve – Staff JOY, the selectee will also receive the Bea Ratner Award. If not, the Bea Ratner awardee will be selected from the nominations submitted for the Selected Reserve JOY – Staff. Nomination and submission guidelines for the Bea Ratner are the same as the other four JOY categories.
D. Deadline for nominations is 14 January 2006. Nominations are now sent to Navy Reserve Force (N01A) instead of directly to NRA.
E. A board will be convened at NRA Headquarters by the end of February. Navy Reserve Forces Command will solicit membership for this board by Naval message in Nov/Dec each year.
F. The Navy Reserve Forces Command will fund travel for the recipients to attend the award event.
G. Award presentation will take place at the Association's Spring Conference. For 2006, the NRA Spring Conference will be 21-23 April in Washington, DC.

REFERENCES:

Expanded information on the NRA JOY program and nomination procedures for 2005 can be found in ALNAVRESFOR 032/03 and COMNAVRESFOR Instruction 1650.10 dated 17 Oct 2003.

NOMINATION FORMAT:

JUNIOR OFFICER OF THE YEAR AWARD

1. PERSONAL INFORMATION

NAME:
RANK:
SOCIAL SECURITY NUMBER:
DESIGNATOR:
BILLET ASSIGNED:
MAJOR DUTIES AND RESPONSIBILITIES:
NUMBER OF MONTHS AT COMMAND:
ASSIGNMENT HISTORY: (Previous commands assigned and dates)
MAILING ADDRESS:
E-MAIL ADDRESS:

2. SELECTION CRITERIA

JUSTIFICATION FOR NOMINATION (Demonstrated leadership, performance, accomplishments, and contributions.) The justification must be submitted in the brief and concise "bullet" format, not to exceed three pages. DO NOT include fitness reports.

3. ATTACHMENT

Full-length photograph in any service uniform

QUESTIONS:

NRA point of contact is CAPT McAtee at (703) 548-5800 or by e-mail at stratcom@navy-reserve.org.

BRIEFCASE GUIDE TO THE FY07 RESERVE PROMOTION BOARD CYCLE

By Tom McAtee

The purpose of this guide is to consolidate promotion board information and guidance to assist NRA members who are eligible for promotion by FY2007 named boards.

Your Official Service Record Is Your Responsibility

Bottom line: Performance is unknown if it is not in your official record. You should be aware of your promotional opportunity about 12 months in advance of the board. Prepare by knowing what is allowed to be placed in your record. Order a CD copy of your record and download a copy of your OSR/PSR about four months in advance of the board convening date. Both actions can be accomplished on BUPERS On-Line at www.bol.navy.mil. Check that your highest educational degree and all personal awards (NAM or higher) are listed properly on the top sheet of the OSR.

Ref: MILPERSMAN 1070.020
(Significant Information)

Bringing Your Performance Up to Date

For 2006, changes in regular FITREP due dates has put several months between the performance end date and the convening of the board. For example, in the future, if the board schedule remains the same, CDRs will have regular FITREPS due basically four months after the board, or eight months before the board, however you look at it. Other grades are also involved. Certain other FITREPS requirements may shorten the performance gap.

Any selection board eligible officer should understand that two options exist to update performance, both involve the commanding officer – special FITREP and letter of recommendation. Commanding officers should also be keenly aware of these options so as not to disadvantage an officer they feel should be promoted.

Desire a Professional Review of Your Official Record?

NRA members can request a detailed review of their official record, on a fee basis, by going to the Association Web site at: http://www.navy-reserve.org/i4a/pages/index.cfm?pageid=981.

Schedule for FY07 Named Boards

BD #	Board Name	Convening Date
165	Reserve 0-6 Line	18-Jan-06
166	FTS 0-6 Line	18-Jan-06
245	Reserve 0-6 Staff	27-Feb-06
246	FTS 06 Staff	27-Feb-06
250	Reserve 05 Staff	27-Feb-06
251	FTS 05 Staff	27-Feb-06
340	Reserve 04 Staff	27-Feb-06
341	FTS 04 Staff	27 Feb-06
225	Reserve 0-5 Line	13-Mar-06
226	FTS 0-5 Line	13-Mar-06
285	Reserve 0-4 Line	22-May-06
286	FTS 0-4 Line	22-May-06
385	Reserve Chief Warrant Officer 3	29-Jun-06
386	Reserve Chief Warrant Officer 4	29 Jun-06

Reserve/FTS FITREP Due Dates

CAPT	31 JUL	LTJG	28 FEB
CDR	30 APR	ENS	31 MAY
LCDR	31 OCT	CWO 3/4	31 MAR
LT	31 JAN	CWO 2	30 SEP

Ref: BUPERSINST 1610.10A

What Is Allowed to be Reviewed

Promotion selection boards are allowed to review your official record, your OSR/PSR, and any communication you send to the board. Any third-party correspondence (recommendations) must be attached to your communication to the board. No other material is permitted.

Cont'd. next page

Official Service Record Photograph

Requirement was eliminated by NAVADMIN 224/05.

Missing FITREPS

If you are missing a FITREP from your record and OSR/PSR, call 1-901-874-3313/3347 or e-mail alfred.kirk@navy.mil. PERS-311 Customer Service personnel can tell you if the report is actually missing or returned to the reporting senior for correction.

Updating Awards

If personal awards are missing from your OSR and/or official record, mail missing citation (with SSN in upper right corner) to:

Commander Navy Reserve Forces Command
Command Services (Awards N013)
4400 Dauphine Street
New Orleans, LA 70146-5100

CNRFC will update NDAWS and forward the citation to NPC for record update.

Pre-Board Manual Review of Your Record by Recorders

One week before the board, your official record and OSR/PSR are checked for the current regular FITREP and accuracy of FITREP grades and awards on OSR/PSR

Communication with the Board

Your letter to the board (LTB) expressly indicates to the board that you are interested in your own promotional opportunity because you are updating your record. Remember the following:

LTB must have board number on envelope and letter.
Use paper clips, not staples.
Do not put in notebooks or folders.
LTB must arrive before board convening date, preferably one week before convenes.

Address the envelope as follows:

President, FY-07 Reserve (Grade) (Competitive Category) Selection Board
Board #_____
Navy Personnel Command Customer Service Center PERS-00R
5720 Integrity Drive
Millington, TN 38055-0000

Caution: Certified and registered mail are not recommended due to added USPS time to process.

To verify receipt of your LTB, contact NPC Customer Service Center at 1-866-827-5672 or on-line at https://npc.jax.disa.mil/OA_HTML/npc.html.

AFTER-SELECTION INFORMATION

Senate Confirmation

Reserve officers selected to the grades captain through vice admiral must be confirmed by the Senate. Notification of Senate confirmation is promulgated by a numbered NAVADMIN message. By law, no officer may be frocked or promoted before the day of confirmation.

Date of Rank – WHEN?

RULE OF THUMB. The running mate system requires that when an active duty officer is promoted to fill a vacancy, a Naval Reserve officer is also promoted, regardless of whether there is a vacancy in the Naval Reserve. Historically, active duty fills (or promotes) the first 40 percent of selectees in the first eight months of the FY year (Oct through May). The remaining 60 percent are filled (promoted) evenly in the last four months of the fiscal year (Jun, Jul, Aug, and Sep – each at 15 percent). Therefore, if a particular board selected 100 officers, the most senior 40 would be promoted between Oct and May, with the remaining 60 being promoted at a rate of 15 per month for Jun, Jul, Aug, and Sep. If you were number 80 of 100 selects, based upon an equitable distribution of seniority among selectees, you could estimate receiving a 1 Aug DOR.

Special Selection Boards

Reserve officers may request from SECNAV a special selection board based on strict circumstances:

* Not being considered for selection for promotion due to administrative error;
* Considered but not selected due to material error; and
* Board acted contrary to law.

Anyone contemplating asking for a special selection board should discuss his/her situation with PERS-480 at (901) 874-4524.

Ensign to Lieutenant (Junior Grade)

Your commanding officer has the authority to promote you on the day of completion of 24 months from your ensign date of rank (DOR). For example, an ensign DOR of 10 November 2003, promotion and DOR to LTJG will be effective 10 November 2005. Promotion is effected by completing, signing, and submitting NAVPERS 1421/7 (Rev. 07-04) to Navy Personnel Command. References (a) and (b) on that form are blank and must be filled in with SECNAVINST 1421.4D and 10 USC 14303 respectively. There is a PDF of this form for fill-in and printing at http://www.npc.navy.mil/NR/rdonlyres/821786CD-FD30-4965-9CDE-DB92BA2D9669/0/NAVPERS14217.pdf

Ref: SECNAV Instruction 1421.4D

US Navy Leadership – Part 2

LT Steven Michaels, USN
National VP for Junior Officers

Continuing last month's article with highlights from a recent and relevant seminar given by CAPT D. Michael Abrashoff, Commanding Officer of USS Benfold (DDG 65) from June 1997 to March 1999.

GO BEYOND STANDARD OPERATING PROCEDURE (SOP)

A few months after taking command of *Benfold*, CAPT Abrashoff observed the effect of his leadership practices and the crew's morale was on the rise. He was even beginning to feel confident in his leadership skills. Then one day, he asked a nineteen-year-old Sailor how he liked *Benfold*. He said he hated it and couldn't wait to get out of the Navy. "But, you're a good electronics technician," stated the Captain. To which the Sailor replied, "I hate electronics. I really want to be a social worker." The Captain chuckled and informed him that social workers don't make any money. Then he continued, "If you stick with it a few years, I can get you a job in the civilian electronics world paying $60k to $80k a year." The Sailor's response was humbling. "I've spent my whole life in and out of foster homes," he said. "I want to make sure what happened to me doesn't happen to another child." CAPT Abrashoff just had his core values calibrated by someone half his age.

The Captain pondered this for a long time when a thought came to his mind. He called the Sailor up to the bridge and told him that his next mission was to find a local elementary school that they could adopt. When *Benfold* pulled into homeport, the Sailor searched for a week until he found an appropriate candidate school. He then gathered forty of his shipmates, kids from the lowest rung of the economic ladder, and established a relationship with the school. For starters, they painted the school. They went on to mentor students after school in reading, math, and science.

The idea of community service spread. Whenever the ship pulled into a foreign port, forty to fifty Sailors would run off and find an orphanage or hospital that could use a few helping hands. *Benfold* sailors now had an infectious, volunteer spirit that the Captain could justifiably be proud of since it was his leadership that gave the idea its start. Young people giving of themselves to make things better for others not because they had to, but because they wanted to, is hardly the SOP for the crew of a U.S. warship. But under this Captain's leadership, the crew became motivated beyond the call as good citizens of their community both at home and in foreign ports, which reflected positively on the U.S. Navy and the citizens of the USA. One leader going beyond SOP turned a potentially negative situation into an even bigger positive one.

GENERATE UNITY

One major obstacle to forming a cohesive team is racial and gender discrimination. The military, like any organization, reflects the larger culture of which it is a part. *Benfold's* crew was no exception. The officer corps was composed overwhelmingly of white males, while the enlisted men and women included African-Americans, Latinos, Asian-Americans, and other minorities. The Captain knew that, as with any organization, management needs to reflect the makeup of the workforce. People need role models whom they can look up to and, more often than not, people identify with others of the same race and gender.

CAPT Abrashoff saw the results of a survey that addressed what people of different ethnic groups thought about one another. These mandatory surveys are part of a status report that an outgoing commander hands over to his successor. The news on *Benfold's* command climate was not good. Some women felt there was sexual harassment on the ship, some minorities felt there was racial prejudice, and some white males even felt there was favoritism toward women and minorities. This was going to be a challenge.

His first move was one that could have gotten him fired. He cancelled *Benfold's* diversity training program. Something that had been shown with hard data to be ineffective needed to be abolished since the Captain did not accept ineffectiveness in his command. In its place, he substituted something he calls "Unity Training," which concentrates on people's similarities and common goals rather than their differences. Unity is about maximizing uniqueness, not suppressing it, and channeling that toward the common goals of the group. And, instead of delegating this program, CAPT Abrashoff conducted it himself. Unity became the fundamental purpose of his leadership model.

He reached out to each of the ship's twenty-four divisions and told them how he felt. There was no place on *Benfold* for racial or gender prejudice. Those who were shown to exhibit prejudice would be subject to immediate and severe disciplinary action. He then backed up his words with action, demonstrating every day that he lived those values. By such gestures as joining the enlisted people at cookouts, having lunch once a week with the crew on the mess decks, and making sure visiting VIP's got to talk with the crew, he earned the respect of those in his command. Every Sailor rightly felt indispensable to the unity of the *Benfold* team. And the ship Captain's efforts paid off in measurable ways. When his command tour ended, CAPT Abrashoff's survey revealed that he had all but eliminated the perception of racial and gender bias by the crew.

For more on CAPT Abrashoff's leadership principles, check out his consulting firm's Web site at www.grassroots leadership.com or pick up either of his great books:

IT'S YOUR SHIP, by CAPT D. Michael Abrashoff, 2002, ISBN: 0-446-52911-7

GET YOUR SHIP TOGETHER, by D. Michael Abrashoff, 2004, ISBN: 1591840740

LT Michaels is open to ideas for future articles, so e-mail him at ensignsting@yahoo.com.

He thinks the movie Down Periscope is a Silent Service documentary.

CDR Susan Labhard, NC, USN
National VP for Health Programs

West African Training Cruise – Through an Optometrist's Eyes

This month's column was contributed by CDR Christopher D. Pearce, MSC, USN, who is an optometrist in Boring, OR, and OIC of OHSU Bremerton, Det F, in Portland, OR.

In July of 2005, I was given the unique opportunity to join the Navy Reserve Operational Health Support Unit Great Lakes, IL, in support of the West African Training Cruise (WATC-05), held in Cameroon and Gabon, West Africa. The exercise, sponsored by Commander, U.S. Naval Forces Europe/Commander, U.S. 6th Fleet, (CNE/C6F), was a Medical Outreach Program (MOP) designed for U.S. and African medical experts to exchange knowledge and techniques used to deal with a wide variety of regional illnesses.

Eye care, dental, and medical treatment was provided to villages in the area of Garoua, Cameroon and Libreville, Gabon. In a span of two weeks, two separate teams of approximately 60 personnel each visited numerous remote villages and were able to provide care to over 13,000 people. With the help of volunteer interpreters and students able to speak French and a few of the local native dialects, the teams set up clinics where patients were evaluated to determine their needs.

Each morning, our team would muster for information about our perspective village. We would then load into busses and travel anywhere from 30 minutes to two hours. For safety reasons, we never traveled in the evening. Our trips took us over some of the worst roads, thus increasing our transit times and decreasing our contact times with the individuals to be seen in the villages. Occasionally, we encountered huge potholes that caused cars to bounce off the road into the closest ditch. One day, our vehicle hit a pothole so large that it caused everyone immediately to grab the seat in front, bracing for the car's unexpected turn off the road or violent flip over on its side – optometry had never been so breathtaking!

As we arrived in the villages, we would see people walking toward the clinic. Some of the villagers had walked many miles to see us, and there were always long lines of individuals waiting for assistance. Knowing that we would be unable to see all of the people in need was the difficult part.

In one of the villages where we set up a clinic, we noticed a list of children with ages recorded on a chart on the wall. It was the class register for that one room. Eighty-seven students ranging in age from 6 to 16 years old were listed. It was hard to believe that the teacher was able to control that many children, let alone teach them anything. We were further amazed that there was only one outhouse and no clean running water for the entire six-room school.

As the patients arrived at clinic, they were logged in and each day our triage team assisted in determining which patients needed eye care. Ages ranged from very young children to elderly people in their eighties. Once we had examined the patient, the type of problem each had was recorded and a recommendation made for a set of eyeglasses or other type of medical treatment.

The Eye Care Department in Cameroon was made up of one ophthalmologist and two optometrists. It is thought that there is one ophthalmologist per fifteen thousand people in the U.S. but only one per one million in Africa.

The New Jersey Lions Club had graciously donated eyewear for our mission; and without their assistance, we could not have been effective. In Africa, an individual would need to go without eyeglasses if lost or broken. The person would not be able to replace eyeglasses because it may be unavailable in the village or money unavailable for another pair (money went to seed for crops or food for family). Most individuals went without eyeglasses and, therefore, suffered.

In the three earlier WATC's, previous eye care teams had encountered a lot of farsightedness. These individuals were in need of reading glasses or bifocals. A common complaint we heard was that patients could not read their cell phone displays. The most difficult patients to assist were the people who had prior surgery for cataracts and did not receive implants. Their eyeglasses, if they had them, would be very large and magnified in appearance. In the U.S., we discontinued making aphakic lenses long ago due to the invention of lens implants, so we rely on donations of eyeglasses from families with an elderly relative who had the older cataract surgery (prior to implants). Our team used skiascopy racks (a bar with different powered lenses on it) and retinoscopes to determine the strength of the eye to successfully treat patients.

A great percentage of our patients were diagnosed as farsighted (some younger students later were diagnosed as near-sighted). On our third day out, a woman in her eighties came in requesting new eyeglasses. I was told that she had received cataract surgery many years before. Her current pair of eyeglasses was quite powerful, but very scratched and held together in the frames by chewing gum. She said, "It was nearly impossible to see." (Left photo illustrates)

Upon examination, I found her a new frame and lenses and had the pleasure of fitting them to her face. It was like a miracle. Everyone in the room immediately saw her smile. She began pointing at each one of us, and the interpreter told us proudly that she was saying that she "could see, each one of us, clearly for the first time in years." As she left the building, you could hear a commotion as others heard of her new eyeglasses. What a rewarding day!

Our eye care team treated on average 220 to 300 patients daily, and we diagnosed a wide variety of diseases that I had only seen in textbooks. We saw diseases like onchoceriasis (river blindness), trachoma (a sexually transmitted disease), malaria, HIV, cataracts, glaucoma, and a multitude of other problems. Most importantly, we were able to assist over fifteen hundred individuals to regain their sight, with donated eyeglasses from people like you in the United States. After completing this mission, I look back with a great sense of accomplishment. ⚓

Dear CAPT Schultz,

Thank you so much for your professional services and offers. I obtained your wonderful advice and record review three years ago and acted on every tip and advice. Since that time I attended a selection board and assisted the Official Assistant Recorder in BUPERS in 2004. It was extremely motivating. Additionally, CAPT Hardy's one-on-one mentoring at the NRA Conference gave me tremendous insight into professional development and the way ahead. CAPT Hardy is the best writer and author of professionalism and a great asset to the NRA. I read your magazine from front to back.

At this time, I am very confident in my interaction with BUPERs and the work needed for DEC, JAN and FEB. I am preparing three more NOBCs in my fiche and all FITREPS are accounted for. I have one medal to submit to BUPERS. The recent hurricanes have delayed some interaction with PERS in New Orleans but BUPERS in Millington seems OK. I am steadfast in my nightly and weekend work and my Service Records will be ready on 13 March.

At this time I would like to pass on your expert service for the full record review but will certainly use your service prior to the next selection board when ever that might be in the next.

Sir, have a wonderful Holiday!

Dan Cindrich
Lieutenant Commander, USNR

Dear Admiral Keith,

Thank you for your leadership as Editor of the Naval Reserve Association News.

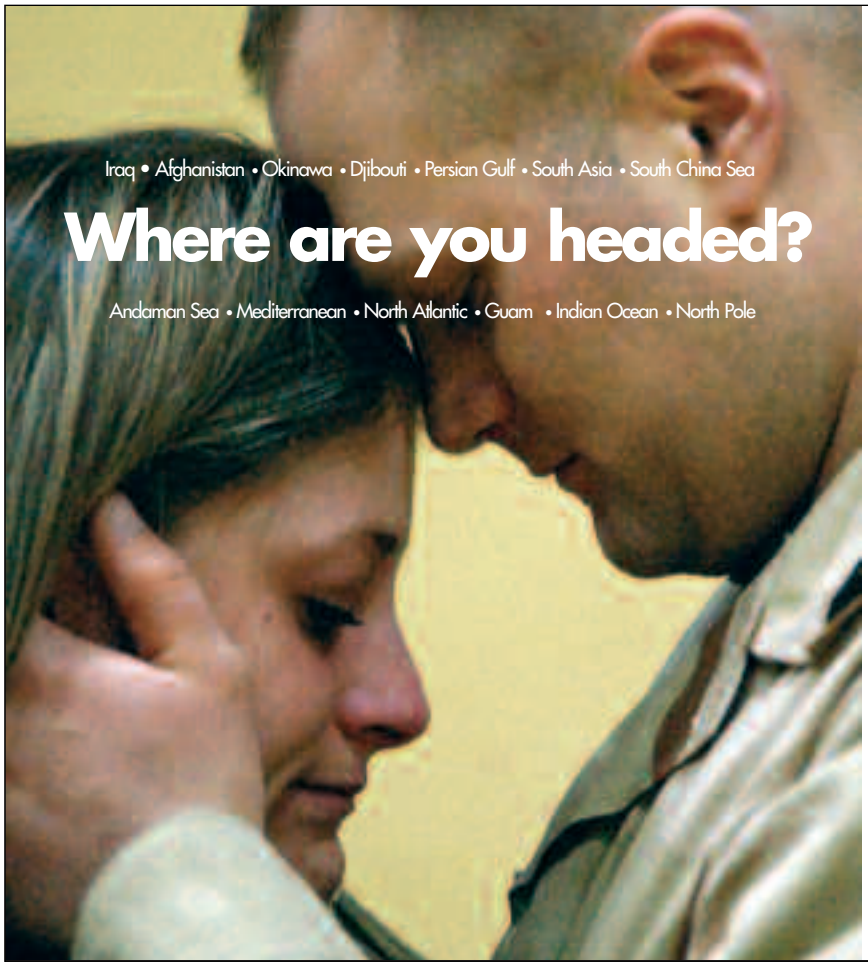
I am especially proud to be a Life Member of NRA with the two great "Eye Opening" featured articles by Dr. Frederick W. Kagan, The War Against Reserves; and CAPT Ike Puzon's article, Strategic Planning, in the October and November issues.

I am proud of the Naval Reserve Association's enlightenment of what is really happening in our beloved country. I do not know what the answer is, but it appears that the present administration is handling this war in all of the wrong ways.

After reading Dr. Kagan's article, I thought of Napoleon's battle at Waterloo, when Napoleon almost had the battle won, Marshall Von Blucher's German reinforcements (Reserves) came charging over the hill at sunset, and Napoleon's army suffered a crushing defeat. History always repeats itself.

Again, thank you for your leadership and direction, and making me very proud to belong to the Naval Reserve Association.

Dewitt T. Ferrell, Jr.
Commander, USNR (Ret)



$600,000 Term Life Insurance
For only $27.00* per month
*On a $600,000 Flex-Term policy, non-smokers receive annual refund of $4.00/ mo, subject to change and NOT guaranteed.

Prepare for the unexpected.
If you don't who will?
For a hundred twenty five years NMAA has been there to protect sea service members and their families. Before you go, call NMAA.
NO war clause • NO aviation clause • NO terrorist clause

Call Navy Mutual:
1.800.628.6011
www.navymutual.org

Navy Mutual Aid Association
A Veterans Benefit Association Since 1879

Serving: Navy/Marines/Coast Guard /NOAA /Public Health Service
Henderson Hall /29 Carpenter Rd., Arlington, VA 22212

NRA National President and Executive Vice President Visit Headquarters

President Quaglino held his first meeting with the Headquarters Staff where he outlined his plans for the future.

The day after President Quaglino and RADM Coane met with Deputy Assistant Secretary of the Navy DASN(RA) Barnum and VADM Cotton in the Pentagon, they arrived for the Association Christmas party.

Exec. Vice President Gary Barron and Mrs. Kathy Quaglino at the Christmas party.

Secretary Tom Hall (ASD/RA) and LCDR Gail Holzworth share a moment.

CAPT Puzon and RADM Brunelli

Mrs. Mileva Hartman and President Quaglino

COL William Holahan III, USMC (Ret) and CAPT Marshall Hanson, USNR (Ret) from ROA join the party

Bob Lyman, CAPT Devault and and Mark DeVille

SIXTH DISTRICT UPDATE

(Left photo)
LT Kathryn Wilgus, NRA's VP Membership and 6th District, Central Florida Chapter member was recently promoted and sworn in by her twin sister, Maj. Stephanie Gradford. "I pinned her [Maj. Gradford] twice to 2nd LT and CAPT in the Army, and now she was able to read my oath to LT in the Navy."

(Right photo)
As reported by the *Mobile Register*, CDR Dan Goergen, NRA 6th District member, relieved CDR Peter Riehm of command of the Naval and Marine Corps Reserve Center in Mobile.

The focus of the 6th District is to implement the Legislative Action Plan, written by CAPT "Daisy" Wilhoit, Executive VP for the 6th District. For a copy of the document, please contact LT Louise Anderson (louise.anderson@flhosp.org) or CAPT Daisy Wilhoit (likelytn@aol.com). The following are a few excerpts:

The function of the Legislative Action Team is to contact their Representative and Senators when asked to do so by the National Director of Legislation in the Legislative Updates. The function of the Team Leader is to be sure that each Team Member performs as requested.

What each Team Member should do:

First: Visit the nearest local office of the Representative and both Senators and become acquainted with the staff members in each office. By the time you leave after your first visit, all the staff members should identify you with the Naval Reserve Association. In order to cement these relationships, you should make a return visit at least once each quarter.

Second: Visit the Representative and both Senators in their local offices as soon as possible after you have become acquainted with their local office staff.

Third: Learn the name of the appropriate staff member in the Washington office of the Representative and both Senators. Ask to talk to this member by name whenever you have occasion to phone the Washington offices.

Fourth: Set up a routine which will allow you to take the required action as soon as possible after you receive the NRA Legislative Update. The final act, in each instance, should be to notify your Team Leader that the action has been taken.

Proud to Protect

With over 200,000 insured lives, USBA (Uniformed Services Benefit Association) is one of the largest military associations offering low-cost group life insurance plans. Since 1959, we've been serving the unique life insurance needs of active duty, former military and retired military families – including reservists and guardsmen — offering a comprehensive range of life and health insurance products as well as financial services. Our life insurance plans are underwritten by New York Life Insurance Company, one of the nation's oldest and strongest life insurance companies.

NRA members are eligible, through USBA, for a wide range of life insurance products, financial services, and health insurance coverage including:

Health Insurance Plans and Supplements

- Tricare Supplements
- Medicare Supplements
- Cancer Expense Plan
- Long Term Care

Group Insurance Products
Underwritten by New York Life

- Two for One® Joint Level Term
- Level Term
- Lean 15 Level Term
- Generation 3rd (Blended Whole Life)
- Traditional Whole Life
- Fifty Plus® Whole Life Plan
- Children's Coverage
- Hospital Indemnity Plan

USBA Services
Offered through USBA Affiliates

- Credit Card
- I.D. Theft Assist
- William A. Dietrich Memorial Scholarship Program
- Online Mortgage Lending Services
- MetLife Auto & Homeowners Insurance

Contact us today for details! www.usba.com/NRA

TAKE US With you
When You Leave the Service

SALUTED For Service!

Endorsed by:

Administered by:

USBA
Uniformed Services Benefit Association
P.O. Box 25956
Overland Park, KS 66225-0956

NRANEWS

The ABCs of SBP Open Season

By Tom McAtee

Background.

In 2005, Congress increased the post-age-62 spouse and former spouse annuity from 35 percent to a single tier 55 percent benefit effective 1 April 2008. So as not to disadvantage those members who previously declined SBP/RCSBP due to the Social Security off-set, Congress has authorized a one-year open season to enroll in SBP.

Period for Enrollment.

You may enroll from 1 October 2005 to 30 September 2006.

Who Is Eligible to Enroll during Open Season?

1) A Reservist who has a NOE and never made an election when first eligible;

2) A retiree currently receiving retired pay who previously declined coverage for an eligible beneficiary category;

3) A retiree currently participating in SBP who selected a reduced base amount; and

4) A "Gray Area" retiree who will be entitled to retired pay at age 60, who previously declined to participate in RCSBP (Option A) or elected deferred coverage (Option B) or immediate coverage (Option C) at less than maximum coverage.

Can I opt out of SBP during the open season? No

If I previously chose to opt-out, can I enroll during open season? No.

Back premiums and interest.

For a Reserve member over the age of 60, back premiums plus interest will be calculated back to age 60. For Reserve member under age 60 who failed to elect Reserve Component SBP (RCSBP) options B (deferred annuity) or C (immediate annuity) when first eligible means he or she deferred their SBP election until age 60. The open season gives these members another opportunity to elect SBP options B or C prior to reaching age 60. No back premiums will be charged. However, RCSBP and SPB premiums will be deducted from retired pay upon reaching age 60.

Sample Penalty and Interest "Buy-In" Costs.

Example 1 – CDR, age 70, with a gross monthly retirement of $2,200 can expect to pay $21,870.

Example 2 – CAPT, age 65, with a gross monthly retirement of $2,500 would pay $13,400. Monthly SBP premium would be $143 and $162 respectively. Since the open season buy-in premium is considered an enrollment charge, it will not be tax deductible. However, regular SBP/RCSBP premiums taken from retired pay are on a pre-tax basis.

Open Enrollment Premiums.

A lump sum payment submitted with the DD Form 2656-9; deducted from retired pay over 24 months; or as a combination of a lump sum payment and deductions from retired pay over 24 months.

Enrollment Form.

Enrollment requires the completion of DD Form 2656-9 and the election of a premium payment option – either lump sum payment or 24 monthly installments. Form may be downloaded from any search engine or call Tom McAtee at NRA Headquarters and forms will be mailed to you.

Two Year Requirement.

You must live two years following the date of enrollment for the coverage to become fully effective. Premiums and "buy-in" premium will be returned if death occurs before two-year minimum.

Questions.

Call Tom McAtee at 703-548-5800 or e-mail stratcom@navy-reserve.org.

Figuring Premium and Interest Costs

First, calculate the SBP premium you will be paying following enrollment by multiplying gross monthly retired pay by .065. [This is called the maximum election. Those selecting a dollar amount, multiply that amount by .065.] Then, take that monthly premium and multiply it by the premium factor associated with the number of years since eligibility event. Eligibility event for those over age 60 is the date you turned age 60 rounded down to the nearest whole year (less than one year is the 0 factor).

Years Since Eligibility	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Premium Factor	38	48	57	67	74	83	93	103	119	136	153	171	189	209	228	248	269	289	311

Joint Forces Command Host Director of Homeland Security Operations During Annual Ball

By Brenda Steele, US JFCOM 206 Public Affairs

NORFOLK, VA – During the Annual Joint Forces Command Reserve Unit Military Ball, 5 November, personnel from the Navy, Marine Corps, Air Force, Army, Army Air Guard, and Coast Guard hosted Brigadier General Matthew E. Broderick, USMC (Ret), Director of the Homeland Security Operations Center.

Broderick, who joined the Department in May 2003, spoke to the joint forces group about the important role of Reservists in homeland security.

"There was no way that the Department of Homeland Security would have even gotten off the ground without the dedicated roles that Reservists played," said Broderick.

"They almost single-handedly stood up the Intelligence, Infrastructure Protection, and Operations Directorates." Broderick pointed out that of the 600 employees within the Department, many are Reservists.

Captain Allyson Caddell, Commanding Officer of Navy Joint Forces Command Unit 206, mirrored Broderick's outlook and remarks about Reservists as it relates to her Sailors' involvement in their local communities, their nation, and the world.

"Here is a retired active duty General clearly stating that he wouldn't be able to do his job effectively in homeland security without Reserve personnel," said Caddell. "I thought it was extremely insightful on his part that he pointed out that Reservists are a rare commodity, possessing an extraordinary work ethos, always doing what's required to get the job done."

Caddell stressed that the Reserves have now transitioned from a strategic reserve to an operational reserve force, meaning that dependency on the Reserves is dramatically increasing. "We're providing that extra value to the active duty component and enhancing the fighting force every day," said Caddell.

In addition to Broderick's speech, the annual event also honored fallen Soldiers and Sailors and MIA/POWs with the reading of the poem "Fallen Soldier." The final line simply states: "To our comrades, who gave their tomorrows for our today."

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.

NRA's Scholarship Program 2006-2007

APPLY NOW!

NRA is accepting scholarship applications for sons and daughters of members for the 2006/2007 academic year. Deadline for completed applications is 1 May 2006.

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.

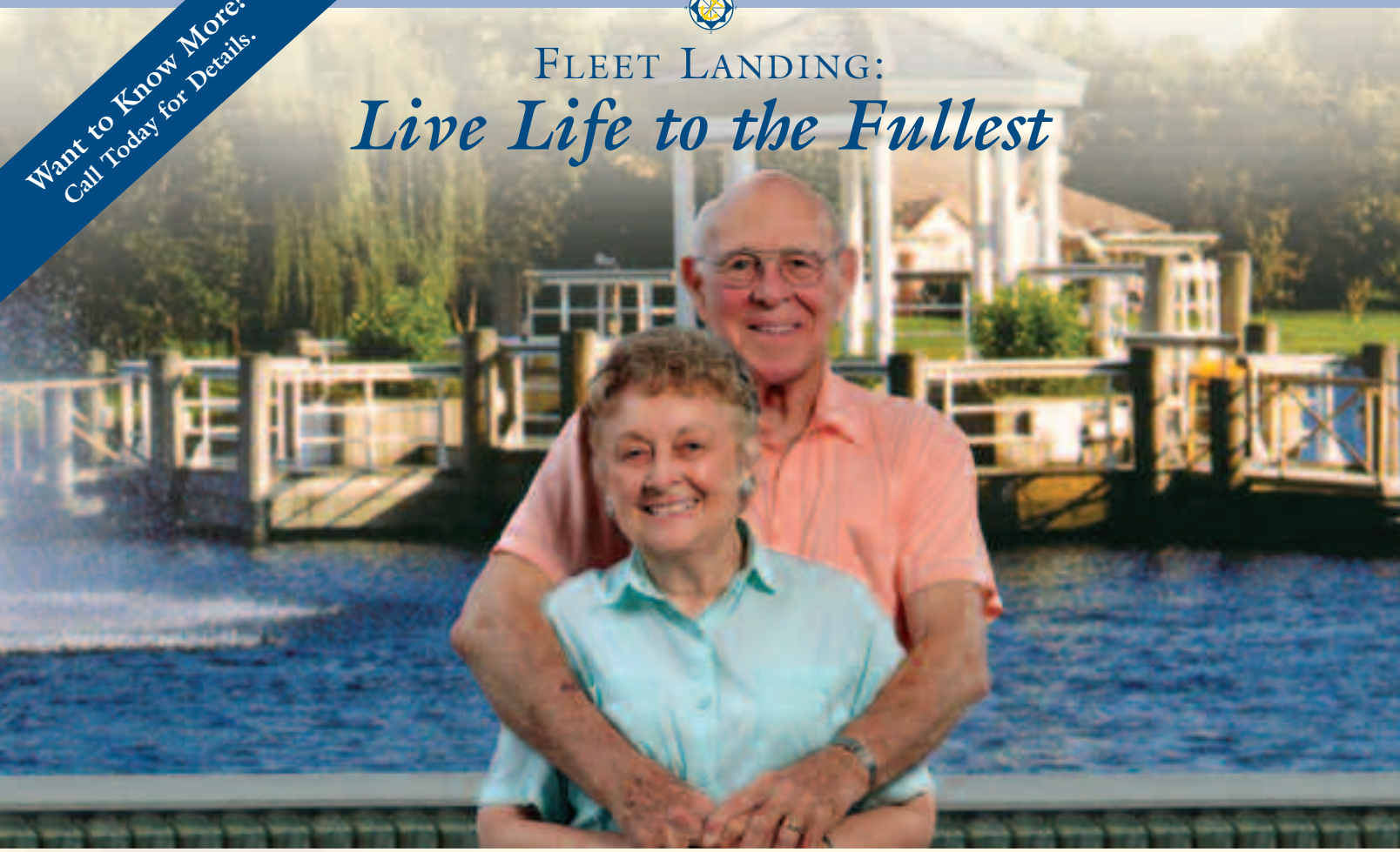
Applications are available online at www.navy-reserve.org. For more information, contact:

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 TO SUSTAIN THIS PROGRAM ARE ALWAYS WELCOME!

Want to Know More? Call Today for Details.

Fleet Landing:
Live Life to the Fullest



Retired Colonel (USMC) Jack Berle and his wife Helen have been Fleet Landing residents since the early 1990's.

At Fleet Landing, Jack and Helen Berle are living life to the fullest. "There's so much to do here there's no opportunity to get bored," they say.

A longtime fan of the theater, Jack participates in the Vintage Players, a local actors' group that performs at Fleet Landing and for local organizations. Helen stays busy painting watercolors as part of the Artists of Fleet Landing. Both keep physically fit by walking nearly two miles a day around the lushly landscaped community.

"The community itself is beautiful," say the Berles. "But, so are the people who live here. Everyone knows everyone; it's a very friendly place."

Situated along the picturesque Atlantic Coast in Old Atlantic Beach on 100 lushly landscaped acres, Fleet Landing blends all the amenities of a world-class resort with the peaceful serenity of a private, gated community and the comforts of home. Here you'll enjoy spacious, luxurious homes and apartments, tennis courts and fitness room; an affiliation with Selva Marina Country Club, a 7-acre lake and heated pool — and much, much more! Plus it's located near the Mayport Naval Station with an off-base commissary and exchange just steps away.

As an accredited not-for-profit life care community, Fleet Landing also offers solutions for any changing health needs, with on-site assisted living and 5-Star skilled nursing services.

Fleet Landing. All things considered, it's the right course.
Call today for more information.

FLEET LANDING

Atlantic Beach's World-Class Life Care Community

One Fleet Landing Boulevard,
Atlantic Beach, FL 32233
1-866-215-1647
www.fleetlanding.com/nra

For more information, complete and mail this coupon to:

Fleet Landing
One Fleet Landing Boulevard
Atlantic Beach, Florida 32233

Or call today at: 1-866-215-1647
www.fleetlanding.com/nra

NAME

ADDRESS

CITY STATE ZIP

PHONE

88145 PRAD NRA 1/2006