

# BREA News

www.brea.bnl.gov



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## BREA Meetings

There are monthly BREA meetings, usually at noon on the second Tuesday of the month in Berkner Hall. All BREA members are invited to attend. We would like your participation in our meetings.

### *BREA Meeting Schedule:*

- April 8, 2009
- May 13, 2009
- June 10, 2009
- July 8, 2009

April meeting after seminar in Hamilton Seminar room.

## BREA Officers

**PRESIDENT:**  
Arnold Peskin  
**Vice President:**  
Robert Marr  
**Treasurer:**  
Ken Mohring  
**Secretary:**  
Dave Cox  
**Newsletter Editor:**  
Graham Campbell

## ANNUAL REUNION MEET – GREET – EAT!!

Are you ready? It's almost time for our annual get-together. At the March 11<sup>th</sup> Committee meeting all the details were finalized and we are all confident that no little detail to make for an enjoyable day was overlooked!

Once again, the place will be the Bellport Country Club, a magnificent venue in the Spring. The date – mark it well! – is

Thursday June 4<sup>th</sup> at noon. As usual, there will be half-hour of hors d'oeuvres, followed by a four course lunch with a choice of entrees, dessert, coffee or tea and unlimited beer, wine and soda at the reasonable cost of \$35. Please reserve no later than May 29<sup>th</sup>, 2009.

The best part will be the opportunity to greet old friends, renew past acquaintanceships, ex-

change reminiscences and form new and warm memories! We will also be remembering those who are not in attendance, for any reason.

As you talk to your old friends and new, please be sure to remind them to reserve that date. If they are not living on Long Island, suggest that they return to visit in time to join us!

## UPDATE ON CONTRACT TO OPERATE BNL

Graham Campbell

There has been little visible action on the re-solicitation of the contract to operate BNL. Lou Sadler, a DOE lawyer, made a presentation to the CAC about the process. During this talk he invited comments from everyone on the contents of the

RFP. Both BREA and the CAC took him up on this invitation. The CAC sent a letter requesting that the RFP will make continued support of the CAC a prominent part of the evaluation any proposals. The letter (actually an e-mail) that BREA sent is

reproduced on page 4. However, as of the date this is being written, there is no acknowledgement of the receipt of either letter. See the web site <http://rfpbnl.sc.energy.gov> for up-to-date information.

## FROM THE PRESIDENT

### *A Typical Year?*

This year BREA is offering its membership a fairly full schedule of activities. We have already had another in the popular personal travelogue series by Eric Forsythe, which attendees continue to find entertaining and educational. On April 8th, BREA has arranged for a talk by TIAA-CREF on financial management in these difficult times, aimed especially at retirees. On June 4, we will have our annual Luncheon, this year to be held at an old favorite, the Bellport Country Club. For September 10, we are planning a guided tour of Lighthouses of Long Island – stay tuned for details.

This year we have also been

closely monitoring transitions at the Laboratory that could have an impact on retirees. There is a new Director of Human Resources, Tony Bowman, who has already appeared at one of our business meetings. The Laboratory Management and Operation Contract with Brookhaven Science Associates is coming up for re-solicitation, and BREA is trying to ensure that it has a role in that process and that the welfare of the retirement community is given due consideration. We have also had a task force looking to improving our outreach to the membership, with improvements to the Web pages and Newsletter under active consideration.

I don't know if this is a typical year for BREA, but it seems to be a full one, containing all the elements we try to achieve for our membership; social, educational, cultural, informational and advocacy driven. Add to that our monthly business meetings to which all members are invited, other BNL and BERA events to which retirees and especially BREA members are welcomed, and the other opportunities you have to help serve, and you can see that BREA can be a very active place indeed.

So, typical or not, it has been a busy year. And if there is anything we have forgotten to attend to, please let us know.

## MDO (CONT'D)

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- 3) The capital gains rate is  $G$
- 4) You can earn  $q$  percent in either the sheltered account or the capital gains account over the time period being considered.
- 5) The capital gains account produces no taxable income along the way.

Then if you leave the money in the sheltered account at the end you have:

$$W = C \times (1 + q) \times (1 - T)$$

If you take the money out, pay the tax on what seems a lower amount, then you have  $(1 - T)C$  to invest.

After the same period of time and paying the capital gains tax, you have:

$$(1 - T) \times C \times (1 + q) \times (1 - G) = (1 - G) \times W$$

So, provided you can earn the same amount in the sheltered account as in the capital gains account, you always end up with more by leaving it in the sheltered account.

# SAVING A PLANE: IT TAKES A COMMUNITY

Alex Korol and Jim O'Malley

Last summer, the aftermath of what appeared to be tornado left the towns of East Moriches and Eastport in a shambles. Among the trees, traffic lights and telephone poles that were knocked down or tossed about by the powerful winds was another casualty -- a private airplane owned by retired Lab employee Roy McWilliams.

Williams, a former BNL Site Superintendent, had built the experimental plane, known as an RV-9A, over the last few years and housed it at Lufker's Airport in Eastport.

After the storm, he hurried to the airport, only to find that the storm had ripped his plane from its mooring and, along with its shelter, hurled it upside down and into the trees that lined the edge of the airport. McWilliams wondered how he could retrieve it without further damage. He then thought of "the only person I know that might have an idea how to do this job," said McWilliams.

A few minutes later he arrived at

the Center Moriches home of BNL Rigging Supervisor Jim O'Malley. Luckily, O'Malley was home and, without hesitation, went to help his former boss. O'Malley returned with McWilliams to the airport. He

lift sequence required the crew to rotate the aircraft ever so carefully. Once this was done, they placed it upright onto solid ground.

The hard part was to roll the fuselage and wings over and through the rigging while the plane was suspended in the air and still maintain the structural integrity of the aircraft. After that was done, O'Malley could breathe easily.

Needless to say, McWilliams was able to breathe a great sigh of relief!

This is a fine example of the close relationship

that exists between lab employees and those we meet through working at the lab. More importantly, it shows how that sense of compassion extends into the communities in which we live.



assessed the situation, considered the location, weight, and fragility of the plane's structure, and came up with a plan to raise and return his old friend's "pride and joy."

O'Malley made a few phone calls, and the very next day a crew and a crane, donated by Steve Krisman of Specialized Industrial Corporation showed up at Lufker's Airport ready to work. O'Malley, along with his son, Ryan, rigged the delicate plane with slings to the crane and then safely lifted it up and out of the trees. The next step in the

## LETTER TO DOE RE: BNL RFP

Many in the Brookhaven Lab community have been disappointed that the management contract re-solicitation has not included a formal period for public comment as in the cycle of ten years ago. You will recall that at that time, a prior M&O contractor and the community had severely strained relations that captured the attention of Congress, the Secretary of Energy, and the press. The public discourse did much to begin to heal the rifts to the point where today the Laboratory and most facets of the community enjoy an unusually harmonious relationship.

But the issues that caused the strains ten years ago have not gone away. Rather, they are endemic to a large enterprise like BNL and the complex of civil interests in which it resides. Interests include chiefly those of environmental custody, but also those of commerce and the relationship with the hundreds of retirees in the community. We speak here on behalf of the retired employees and their families.

BNL retired employees have a close and unusual relationship to BNL. Many continue to contribute actively to laboratory programs after retirement, frequently without additional compensation. They also provide a credible conduit to the surrounding communities. In return, BNL has made various commitments to continuing health plan benefits as well as providing assistance in relations with the pension and health plan providers.

Retirees have very limited ability to adapt to changes in their financial status and continuity is extremely important, especially in the current economic climate.

For these reasons, the solicitation must require that the current commitments for health care benefits and pension plans be continued. Modifications or alternatives to these should be accepted only if they can demonstrate substantial benefit to the retirees.

The Brookhaven Retired Employees Association (BREA) looks forward to a Request for Proposals that addresses this concern. Our organization stands ready to cooperate and actively help the Department and the Laboratory to meet these goals in any way it can.

## BREA

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*BNL Retired Employees Association*

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[www.brea.bnl.gov](http://www.brea.bnl.gov)*

# MINIMUM DISTRIBUTIONS THIS YEAR

Eliot Auerback and Graham Campbell

In all of the foggy panic that the current financial situation has created, someone in the legislature realized that there could be a very negative impact on pensions if the government required people to take distributions from the very depressed pension funds. So they have allowed those subject to the minimum distribution requirements to skip all or part of the 2009 distribution. If this affects you, you probably got a notification about it from TIAA-CREF. Is this a good idea? Like so many of these questions, the answer is “maybe”.

We don't have a general in-depth

analysis because of the large variations in personal circumstances, views of the future, and attitudes about risk. However we offer the following comments.

If you need the money to live on, then take the distribution. Borrowing the money instead, only makes sense if you could get it for a ridiculously low rate. And most of the offers to “give you money for free” are too good to be true. If you are taking a distribution this year, then consider when to withdraw the money. If you believe the market will continue to deteriorate this year, then withdraw it early in the year. If you believe it will im-

prove during the year, then consider using monthly withdrawals. TIAA/CREF seems pretty flexible about modifying the withdrawal pattern.

But how about taking the money now (paying the tax on it) and investing it in an account taxed at the capital gains rate? This, most likely, is not profitable.

Assume:

- 1) You would withdraw C dollars from the sheltered account
- 2) You are in the T percent tax bracket

*(Continued on page 2)*