

This Proposed Bylaw/Standing Rule Amendment (F-3C) was submitted direct from the Virginia Federation Board to NARFE Headquarters on Saturday, January 26, 2008

Author: NARFE F-3C Form – Virginia Federation of Chapters – Board of Directors

Date: January 26, 2008

Title: Monetary Incentive for Non-Resident NEB Members

Article and section affected: Rule II, The National Executive Board

Change Proposed: Add sections to Rule II relative to a monetary incentive and expense reimbursement for non-resident NEB members.

Current Bylaws: There is no mention of compensation or expense reimbursement for non-resident NEB members in the current bylaws or standing rules.

If adopted: Add to Rule II, The National Executive Board (NEB):

Section III. Monetary Incentive for Non-Resident National Executive Board (NEB) Members. Current and future non-resident NEB members shall be entitled to a token payment, annually, as an incentive to serve on the NEB, in lieu of compensation of salary and associated benefits.

Section IV. Reimbursement for Expenses. Current and future non-resident NEB members shall be entitled to reimbursement for actual expenses incurred in the conduct of official NARFE activities, as approved by the National President and processed in accordance with established NARFE guidelines.

Reason: Currently the 10 Regional Vice Presidents (RVPs) are the only non-resident NEB members. As of December 31, 2007, the current salary (\$22,123) and associated benefits (\$1,884--about 8.5%) for these 10 positions generated \$240,070 of annual recurring costs. Also, all NEB members receive a COLA, annually, and may participate in the NARFE 401k Plan up to 25% of their pay, tax deferred (although there is no NARFE contribution nor match for NEB members). Further, the RVPs are authorized to purchase FAX machines, computers, printers and related equipment, for use during their tenure in their homes or offices. All equipment is to be Association property; however, RVPs are given the option to purchase their respective equipment, at negotiated value, turn it over to their replacements, or return it to NARFE Headquarters at the end of their terms in office. NARFE will pay shipping costs as required. In addition, most members of NARFE are either active employees or retired (receiving an annuity and in some cases social security/other retirement as well). Therefore, it appears it is not necessary to pay salary and associated benefits (employer share of FICA, etc.) to volunteers who are elected as non-resident NEB members when supplies, materials, and equipment are provided and actual expenses reimbursed for activities related to official NARFE business.

There are many, many chapter and federation leaders/officials who willingly serve NARFE by conducting official NARFE activities without compensation for large amounts of their time and in many instances no reimbursement for associated expenses such as computer paper/ink cartridges, auto mileage, meals, postage, etc. This is true dedication to NARFE's mission and this attitude should be encouraged.

Allowing the current compensation of salary and associated benefits for non-resident NEB members to continue gives the perception that the time of those generously volunteered by members in chapters and federations. Providing only a token monetary incentive to encourage participation as non-resident NEB members indicates concern by the grassroots for fiscal responsibility as well as "leveling the playing field" for participation by all leaders/officials within the NARFE organization. Further, it should be emphasized that this amendment would apply to future non-resident NEB members, as well, should the current 4 resident officers become non-resident officers on the NEB or additional NEB non-resident members to be designated later.

Based on a \$5,000 token payment annually, the monetary incentive would generate a savings of \$190,070 annually from the current annual recurring costs for these 10 NEB positions. (Estimated savings based on salary and associated benefits before January 2008 COLA applied.)

Estimated Annual Cost: Savings \$190,070

Method of Proposal: VA Federation Board direct to NARFE HQ – Date Adopted Jan. 21, 2008