



***U.S. ARMY GARRISON RHEINLAND-PFALZ
RETIRED SOLDIER/SPOUSE AND SURVIVING
SPOUSES
JANUARY 2023 NEWSLETTER***



HAPPY NEW YEAR TO ALL!

Happy New Year to all Retired Soldiers, Spouses and Surviving Spouses and I hope that you all enjoyed the Holiday season and that your New Year's celebrations were enjoyable. In the upcoming year I will continue our services to you and that we will continue to provide the "top notch" service that you have come to expect from our office.

We will be continuing to plan Retiree Information Workshops, Retiree Appreciation Days and other events designed to keep us all in "the know". I would like to encourage each and all of us to volunteer to keep our "Army Story" alive with those around us. The adage of "once a Soldier, always a Soldier" applies even now and I would like to encourage you to become involved with our KMC Retired Soldier Council under the direction of LTC (RET) Benjamin Strange. As you read this, the Council is looking into a venue in which to hold meetings in the upcoming year and if you know of a venue (restaurant, etc.) please let my office know. There are plenty of



opportunities for volunteer service i.e., teaching and sharing of your knowledge, helping a Retiree who just lost a loved one and other topics to provide knowledge to the Retiree Community. They say knowledge is power and I know that there are many Subject Matter Experts (SME's) who are reading this who have that special knowledge base. If you would like to see us cover a topic that is important just let me know. 2023 is the year that we can step forward and show Europe and the Army that USAG Rheinland-Pfalz Retirees, Spouses and Surviving Spouses do care for each other and are coming together to educate, share the Army Story with others and tackle issues important to the Retiree Community. I guarantee you that the topic that you are thinking about is one that other Retirees would like to see tackled but just haven't come forward. Our office is always open during regular hours and if you haven't done so, stop in and say hi and enjoy a cup of coffee with us. Just like our Army Values (L=Leadership; D=Duty, R=Respect, S=Selfless Service; H=Honor, I=Integrity and P=Personal Courage) let's make this year a very productive "Year of the Retiree". No one does it better than the USAG R-P Retiree Community.

**Speaking to you next month,
Erik**



LTC (RET) BENJAMIN STRANGE

A New Year

Personally, I'm glad the holidays are over. I enjoy and look forward to them like everyone else. By the time Christmas arrives though, the Yuletide decorations have been up for almost two months and Jingle Bells has been played over a hundred times. I told some friends I feel sorry for the personnel who work in stores and have to listen to the store Christmas music eight hours a day and five days a week for two months. When I first came to Germany in 1980, I remember few Christmas decorations being up in November. Most folks didn't start decorating until mid-December. Now however, before the Thanksgiving turkey has been shoved into the oven the Christmas lights have already been strung. So, by the time Christmas does arrive we are "Christmased out." Guess I just pine for the earlier times when Christmas was not so commercialized and celebrated for two months. Anyway, hope you enjoyed the holidays with family. I certainly did and felt fortunate to do so.



Seems like 2022 passed by quickly. I look forward to each New Year with excitement and eager anticipation for what the year will bring. Thankfully, we seem to be better able to coexist with COVID so that it doesn't put a damper on our getting out and about. To that end, it is my intent to finally get our meetings back on track like we used to have pre-COVID. As has been previously mentioned, if you have some topics you would like to see discussed, let Erik Thomsen or myself know. I am looking forward to an eventful 2023 and also want to thank you for the privilege of being able to serve as the President of the Retiree Council and especially for being able to work with our most capable Retirement Services Officer, Erik Thomsen.

All the best for 2023!

Benny





Excerpts from Mr. John VanDiver, reporter for Stars and Stripes, dated November 23, 2022.

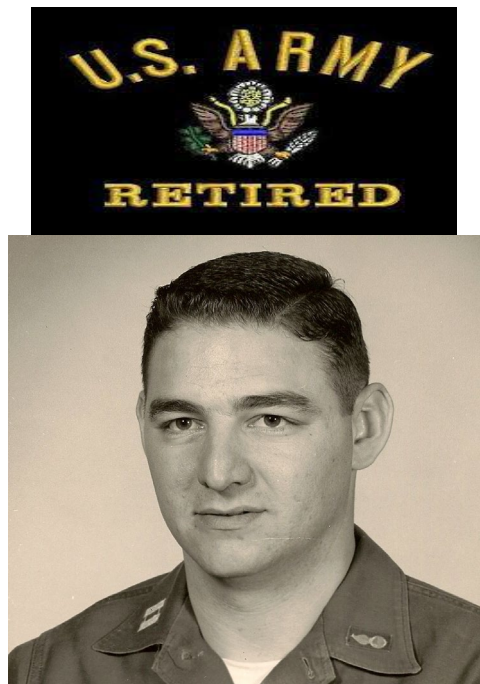
As many of you know, the above topic has been occupying many of us for many months and, in some cases, has led to a financial catastrophe for some of our Retirees.

“A German state court said that efforts by local finance offices to tax U.S. military pay violates the NATO troop treaty, marking a groundbreaking development in a dispute that has caused financial devastation for scores of Americans over the years.

The Rheinland-Pfalz Finance Court, in an opinion published Wednesday, said it ‘ruled for the first time’ that U.S. Military income while stationed in Germany is not subject to domestic income taxation. The court issued its decision on a case involving a U.S. Soldier who is married to a German woman....The Landstuhl-Kusel office has said previously that it has pursued hundreds of American military-affiliated families at any one time for tax payments. In some cases, the penalties they’ve assessed have reached the equivalent of more than \$300,000. ...The decision has been appealed by the finance office, setting up an eventual legal showdown in



Munich’s Supreme Court for tax matters. That court’s judgment could resolve once and for all a years long dispute between Washington and Berlin over attempts to tax military members. “Once it dies in court it will stay dead for good’, said Georg Weishaput, a German tax specialist who is assisting several American families locked in separate tax cases....The latest court battle comes down to legal parsing of the NATO Status of Forces Agreement, which states that host nations can’t tax the military income and benefits of foreign troops and civilian personnel. However, Germany, unlike every other NATO state that hosts Americans, has sought to collect taxes in certain cases and has imposed penalties. German finance offices have pointed to Article X of the NATO treaty to justify their efforts, citing SOFA language that states personnel must be in the country ‘solely’ for their job....What constitutes a will to return has never been established and is decided by tax offices on a case-by-case basis. Those offices have even continued to impose penalties after military members departed Germany – the ultimate proof of will to return. But the high court in Rheinland-Pfalz said in its ruling that a person’s intentions are irrelevant and that personal ties don’t matter for these tax purposes.”



LTC (RET) APPLEBAUM

As we continue our discussion on the sensitive topic of taxes, LTC (RET) Larry Applebaum (pictured above), whom I call on for tax information, submits the below article.

Introduction.

Benjamin Franklin said, “Our new Constitution is now established, everything seems to promise it will be durable; but, in this world, nothing is certain except death and taxes.” This article is not about death – it is about taxes, specifically, German income taxes.

This primary purpose of this article to encourage the reader to delve into the requirement to file and to look at the whole process of filing a German income tax return. It is not possible to fully cover German taxes in a short article. My intent is to focus on those aspects of German taxes that affect most of you. Additionally, I want to increase your curiosity and



interest; and, provide a few ideas for you to develop on your own.

The Requirement to Pay German Taxes.

All residents of Germany, German citizens and foreigners, the latter with an Aufenthaltstitel (green card), are required to file a Steuererklärung (income tax return) if their income is above a certain income threshold. For tax year 2022, this threshold is 9,984.00 € an individual filer and 19,968.00 € for joint filers.

The Ways to File your Steuererklärung.

There are essentially four stand-alone methods that can be used to file your Steuererklärung.

1. As with the US income tax forms, you can download all of the required forms from the Internet and submit a paper tax return filled in by hand or through the use of fillable forms.
2. You could purchase tax preparation software that will help you produce the required income tax return that can be printed and submitted as a paper income tax return or directly sent via Internet to the Finanzamt.



3. A third method is to use Mein Elster (ELEktronische STEuerERklärung). This software is free. To use it you must establish an account at Mein Elster. The entire process is done online while logged into the Mein Elster website. An advantage of using Elster from year-to-year is that you can transfer all inputted data from the previous tax year to the current tax year's Steuererklärung. Then it's a simple matter to update the inputted data.

4. Each of the three methods described above requires that you have a good command of the written German language. If this is not the case, then the fourth method is to use a Steuerberater (tax advisor). If you must use a Steuerberater, be sure to select one that is conversant with the joint treaty for the avoidance of double taxation.

The Joint Treaty on Double Taxation.

The Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital and to Certain Other Taxes was signed on 29 August 1989 and became effective on 1 January 1990.



This treaty was amended with a protocol signed on 1 June 2006. These two documents, taken together, clearly state which income is taxable by which of the two contracting states. Income that is not covered by the treaty may be taxed by both contracting states. The prime example is the interest paid by banks and credit unions to depositors who have demand accounts – checking and savings. Dividends paid to stockholders are taxable by both contracting states. This is also the case with other capital gains such as derived from the sale of appreciated stocks. These are considered to be capital gains.

Taxation of Capital Gains

Capital gains are taxed at a flat rate of 25% after a tax exemption of 801 € for a single taxpayer and 1602 € for the joint filers. In addition to the capital gains described above, life insurance death benefits are also considered to be capital gains. There is a total tax exemption for life insurance death benefits if the life insurance contract was established prior to 1 January 2005. These death benefits are tax free.



Reducing the Tax Burden.

As with the American taxes, there are certain expenses that can be written off your taxable income to reduce the amount of income directly taxable by Germany. Some of the most common write-offs are described below. The well-organized taxpayer sets up an indexed notebook to file all payment receipts. Frequently, the Finanzamt, when processing a Steuererklärung will ask the taxpayer to submit the backup documentation.

Medical Doctor and Pharmacy Costs.

Dentist Costs

Tradesmen (just the labor portion of the bill) in House and Garden

The Cost of German Health Insurance

Expenses Related to Self-employed Income (Home Office or Rent for Office outside the Home, Office supplies, Depreciation of Office Equipment and Furniture, etc.)

Charitable Donations



Taxation of Disability Payments and the Dependency and Indemnity Compensation

Neither of these two payments are taxable by the German government and the amounts received should never be entered on a German Steuererklärung. The exemption is found in Article 19 of the joint treaty on double taxation.

Taxation of Altersvorsorge

Altersvorsorge can best be described as additional income program that a person has established to provide cash flow to supplement other government provided retirement income. Many American taxpayers have invested in individual retirement accounts, the Thrift Saving Plan, 401k accounts, annuities, etc.

When cash from these accounts starts to flow, each payment is a mix of own money and interest. Only the interest portion is reportable on the Steuererklärung and only 18% of the interest income is directly taxable.



Progressionsvorbehalt (Progression clause) explained

Not all of your income is directly taxable; however, income that is not directly taxable is used by the Finanzamt to calculate your tax rate. Military retired pay, civil service retired pay, and retired pay from non-appropriated funds activities (NAF) are considered to be foreign earned income. This income is reported on the German Steuererklärung using Anlage AUS. The process of using the foreign earned income to determine your tax rate is the Progressionsvorbehalt. The Finanzamt adds the not directly taxable amount to the directly taxable amount. Because Germany has a progressive system of taxation, the tax rate increases as your taxable income increases. Therefore, the Finanzamt determines the tax rate based on the total income and then applies this tax rate to the directly taxable income.





Final Words.

If an American retired person or American survivor of a retired person is a permanent resident of Germany with an Aufenthaltstitel, they must comply with all legal requirements, especially the filing of a German income tax return if their income is at or above the filing requirement threshold.

Since our December newsletter was published earlier, LTC (RET) Applebaum did not get the Christmas letter in to December issue so here is Christmas wishes from LTC (RET) Applebaum.





Christmas 2022

I grew up in a predominantly Jewish neighborhood in Boston. We celebrated Hanukkah every year and because this holiday fell in the same month as Christmas, we considered it to be our Christmas.

As a young lad, I could never figure out why we never had a Christmas tree. I thought it would be nice to have a Hanukkah “bush,” because the Christian families had such nicely decorated Christmas trees.

Our elementary school (K to 6) reflected the demographics of the neighborhood. On the major Jewish holidays such as Jewish New Year and Passover, we took those days off from school and the classroom attendance was about 20% of normal.

Some of my fondest memories are of the Christmas spirit and the associated pageantry in the school. All of the Jewish kids loved the various activities, especially the singing of the Christmas carols.

At that time, we didn't fully understand the religious meaning of the carols, but we found the music to be very beautiful and entertaining.

Christmas is still a very nice and inspiring time of the year for me and I enjoy all of the things that are connected to this very important Christian holiday.

In closing, we wish you a very Merry Christmas and all the best for the New Year.

**Sincerely,
Monika and Larry**



JUST FOR RETIREES RADIO SHOW

As many of you know Just for Retirees can be heard twice a month on the 2nd Friday from 1600-1630 and the 4th Monday from 1500-1530. There is a little change that started with the last show. AFN Management has trimmed the show from one hour to ½ hour per show. The other 30 minutes will find me recording upcoming Retirement events and information that will run several times throughout the broadcast day.



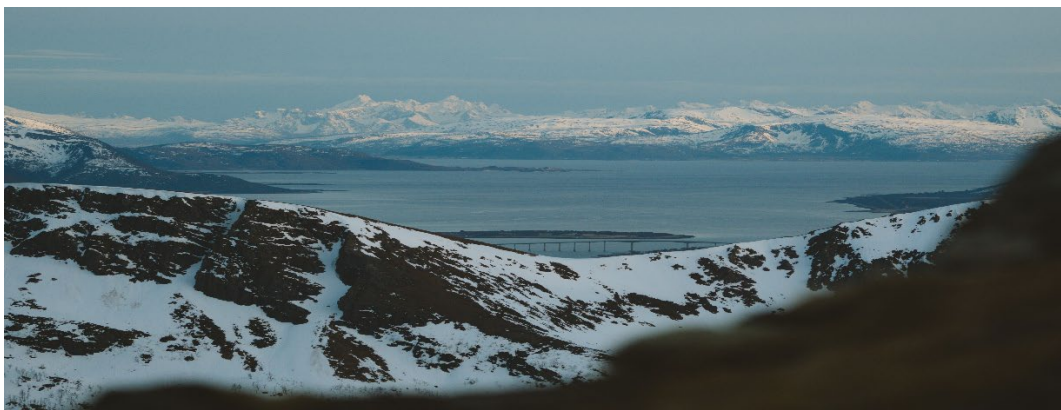
This will get our message out to a wider range of audience. Our next Radio shows will be January 13, 2023 from 1600-1700 and on January 23 from 1500-1600 on AFN 105.1 Kaiserslautern. If you have questions that you want answered, please make sure you email them to me or log onto the AFN Kaiserslautern Facebook page and leave your questions there. If you don't have access to a computer, feel free to call me at 06111-43541-1021. This is your show.

WANTED:

The KMC Retiree Council is looking for a new venue in which to hold their meetings. If anyone knows of a good place that can hold 50 or more people, please reach out to LTC (RET) Benjamin Strange at benjaminlstrange@yahoo.com or myself at erik.c.thomsen2.civ@army.mil Commercial: 06111-43541-1021. We thank you.

NEEDED:

Your Picture as you looked sometime in your Military Career and how you appear now. Send those pics to me at erik.c.thomsen2.civ@army.mil and they will be used for the 2023 Retiree Appreciation Day 19 October 2023.



PRE DEATH PLANNING APPOINTMENTS

As many of you are tracking, we started this very successful program early last year and the response has been phenomenal. Thank you for the support. This is a way that you, the Retiree, can make it a little easier for your wife. I enter into our Defense Retirement and Annuity System (DRAS) to determine when you retired, what benefits you signed up for your wife to receive and other items. Set an appointment with me, your spouse and you and ensure you bring copies of your DD214, VA Award letters of disability, Marriage and/or Divorce Decrees, copy of your passport and ID Cards. We will go through all the needed paperwork that will be needed and, when complete, the paperwork will be sent to you in a personalized binder and copies will be sent electronically to my hard drive and physical copies will be in our office. Take advantage of the program now and make things a little easier to those left behind. Email me now to set your appointment at erik.c.thomsen2.civ@army.mil or call 06111 43541 1021.



JANUARY DATES TO REMEMBER:

12 JAN: Casualty Manager/RSO at Baumholder 0900-1500

13 JAN: Just for Retirees Radio Show 1600-1630

14 JAN: Roll Call, Café Rhema, Landstuhl 1000

16 JAN: MARTIN LUTHER KING JR DAY (Federal Holiday- office closed)

21 JAN: Roll Call, Café Rhema, Landstuhl 1000

23 JAN: Just for Retirees Radio Show 1500-1530

23 JAN: Roll Call, Café Rhema, Landstuhl 1700

28 JAN: Roll Call, Café Rhema, Landstuhl 1000

30 JAN: Roll Call, Café Rhema, Landstuhl 1700





SEE YOU NEXT MONTH!

Please feel free to contact our office at any time with questions, issues or concerns. We are here 24 hours a day/7 days a week for

YOU, THE RETIREE!!!

THANK YOU FOR YOUR SERVICE!!!!!!!





CONTACT INFORMATION

You're Retirement Services Officer for USAG Rheinland-Pfalz:

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