

W C R T A

Williamson County Retired Teachers Association

FALL, 2013 NEWSLETTER

A Message from Your President:

WCRTA members and all other retirees from the five Illinois pension systems are facing a "compromise plan" that may alter their livelihoods in less than desirable ways in the very near future. Capitol Fax blogger Rich Miller posted some interesting information on September 16, 2013 (go to www.CapitolFax.com and scroll to the last article on the page entitled "One battle almost over, others to begin") about the coming report of the 10 member legislative reform committee charged with preparing a solution to the pension funding crisis. Simply stated, his contention is that old-fashioned politics will be the order of the day once the committee announces its plan. Once again, this may result in nothing of any substance being accomplished. So what else is new?

Miller says that Republicans may not support the proposed compromise because of their concerns that it doesn't save enough money, it is premised on erroneous assumptions about the growth of inflation, and the savings it promises are "back-loaded" so that the largest amounts will not take place until 2045 to 2050. He also says "Make no mistake, achieving the expiration of the higher income tax is the reason behind much of the public demands by business groups for cutting the pension benefits of state workers, teachers, and university employees."

Miller also contends that the Democratic plan rolled out by Speaker Michael Madigan in SB1 is still the darling of the state's big business community because it involves wiping out the need for the temporary income tax increase by reducing the pension guarantees of retirees and current state employees. Further, Miller says that since Chicago is not involved in the process, Emanuel is not likely to release his minions to support the compromise until he gets what he wants.

And so the stalemate will likely continue—as will the need for us to remain vigilant and ready to respond when something is proposed that adversely impacts our retirement annuities. Stay tuned to IRTA and WCRTA for the latest news.

Bob Campbell
WCRTA President

P. S. There is a lengthy but responsible analysis of Illinois' pension woes by economist John Mauldin in his blog entitled Nothing But Bad Choices that appeared on September 14, 2013. To read this item, go to <http://advisorperspectives.com/commentaries/mauldin.php>.

WILLIAMSON COUNTY RETIRED TEACHERS ASSOCIATION
General Meeting Minutes for August 14, 2013

Meeting called to order by Campbell after luncheon at the Western Sizzlin' Restaurant. He welcomed all and acknowledged first time attendees and board members. 53 in attendance.

Need repeated for a replacement for John Harland as Vice-President, since he has become a part-time Principal at Marion High School. John also pleaded for someone to step up.

Speaker was Karen Cripps of The Insurance House who spoke on Medicare Supplements. Medicare is made up of 2 parts. Part A provides hospital (in-patient) care and Part B offers medical coverage and doctors' services. Part A was paid for while we were working and Part B costs \$104.90 each month. Eligibility requires 40 quarters in Social Security. A Medicare supplement that works with Medicare is available. Plan F is the most popular. Part D is the drug plan, many of which are available to us. Oct 11 to Dec 7 is Annual Election Period.

If someone does not belong to Medicare, they may be eligible on the work of a spouse. Go to www.Medicare.gov with questions. Agencies that can help with issues are Egyptian Area Agency on Aging, Shawnee Alliance for Seniors, and Karen Cripps is also available. There was discussion on Medicare Advantage Plans. They are "out there", but only two in our county. The Plans depend on where you live and Williamson County has a small population. Bill Funkhouser, Area 6 representative for 32 counties, said that if eligible for Medicare, TRIP (Teachers' Retirement Insurance Program) requires that person to enroll in Part B.

Non-members of IRTA can join by having Dues Deduct at \$2.00/month. There is a proposal to change the deduct amount to \$2.50/month. A lifetime membership is \$500. WCRTA board is also considering an increase in annual dues to \$10.00 per year.

- The IRTA Convention will be held in Springfield on October 21 and 22. The endorsement process will be an item on the Agenda, as will a proposal to increase dues deduct to \$30.
- Information from TRS annuitant representative Bob Lyons was distributed. Members were reminded to stay current on Pension legislation and send email addresses to Steve Maxwell.
- The next meeting is Monday, October 14, 2013, at St. Paul's Catholic Church Recreation Center in Johnston City at 1:30 P.M. Meeting adjourned at 2:00 P.M.

Marge Mangan, WCRTA Secretary

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Williamson County Retired Teachers Association
Treasurer's Report for Fall, 2013

Beginning Balance	\$3,379.09
Income (Dues, Legal Defense Fund)	\$ 275.00
Expenses (Memorials, Legal Defense Fund, IRTAPAC, Convention Registration)	\$1,016.00
Ending Balance	\$2,638.09

Note: Mail dues, IRTAPAC donations and Legal Defense Fund donations to the Treasurer, Don Kragness at 14082 Poor Farm Road, Johnston City, IL 62951. You can call Don at 618-983-5546 or email him at donjank@gmail.com if any questions.

WILLIAMSON COUNTY RETIRED TEACHERS ASSOCIATION
Board of Directors Minutes for September 11, 2013

Present: Bob Campbell, John Harland, Marge Mangan, Don Kragness, Anna Morris, Tom Oates, Steve Maxwell and Mary Lou Gander.

Minutes approved; Treasurer's balance showed \$2,638.09. Correspondence included a note from Ilda Powell; and thanks for a memorial for Cliff Storme.

October 14 meeting speakers will be AMBA's Larry Newman or Bill Gluck and Region 18 Director Gary Threw. This meeting will be held in Johnston City at St. Paul Church Recreation Center at 1:30 P.M. Pie and coffee will be served.

Convention in Springfield will be October 21, and 22, 2013. We are eligible for 8 delegates and will have 8 attendees.

Future meetings: February 14, 2014; with April 2014; May 2014; and August 2014 dates to be determined. Meeting adjourned at 3 P.M.

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WCRTA Is Still Looking for a Vice President

The WCRTA Board of Directors discussed the need for someone to replace John Harland as Vice President for the term beginning in January of 2014, since he will at that time assume the duties of Regional Director for the 11 southern counties in Region 18. John has also agreed to assume the duties of principal at Marion High School along with another former principal who has retired. They will share time during the current school year.

Several names were suggested by the board but as of September 15 we were still looking for a new VP. If you are interested in volunteering please call Bob Campbell at 618-997-8000. The primary duty of the VP is to arrange our quarterly programs but that responsibility is lessened because we have regular presenters at certain meetings. We also would like to have additional people on the board to help share the decision making for the organization.

Here is a chance to get involved in an organization that has as its stated purpose, "To enhance and protect the legislative rights and improve the quality of life of retired teachers."

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Benefits of IRTA Membership
Mary Lou Gander, Benefits Chair

Benefits and services available to members of the IRTA include the following:

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| Medical Air Service Association (MASA) | Travel Discounts |
| Dental, Vision, Hearing Insurance | Rental Car Discounts |
| Long Term Care Insurance | Computer Discounts |
| Cancer / Life Insurance | Cell Phone Discounts |
| Auto / Home Insurance | Flower Discounts |
| Identity Theft Protection | Wi-Fi Service Discounts |
| Tax Deferred Annuities | AAA Chicago Motor Club Discount |
| IRTA Credit Cards | Sam's Club Membership Discount |

New benefits are added often. If you have questions concerning any of these benefits, please call Mary Lou Gander at 618-993-5840 or email her at marlee88@msn.com.

Legislative Update
Anna Morris, Legislative Chair

We are in another "quiet before the storm" period in two areas regarding retiree benefits:

1. The ten-member bipartisan committee on pensions has yet to release its recommendations to the General Assembly on changes to the retirement systems; however, sources state that a final proposal would most likely emerge in early October. Based on its hearings, the committee seems to be leaning toward changing the annual cost-of-living adjustment (COLA) from an annual compounded rate of 3 % to one-half of the annual consumer price index (CPI). This mirrors the previous Senate Bill 1 favored by House Speaker Madigan and would be an affront to the bill crafted by the We Are One Coalition of the unions. **The veto session begins October 22.** If a bill is passed and signed by the governor (and some sources doubt this will happen), IRTA has stated it will appeal to the courts, asking for a "hold" to keep current benefits. Ultimately, the Illinois Supreme Court decides what is constitutional.

2. There is a strong indication that retired teachers in TRIP who are receiving Medicare benefits will be included in a new Medicare Advantage program currently being formed by Central Management Services (CMS) for state and university employees. A Medicare Advantage program combines Medicare with a supplemental insurance policy. Only those who are now Medicare Primary will have to choose this plan. Those not eligible for Medicare and those under 65 will not be affected yet by the new program. A list of potential carriers is presently being screened and is to be announced this fall, possibly by October 1. The state wants the sign-up completed by November 30 to be able to roll out the new insurance plan on January 1, 2014. (I was told yesterday that these dates would be impossible—that there is no way that CMS will be able to do so by January 1.)

IRTA will keep you informed through **VoterVoice**. Those of you with computers should sign up at <http://irtaonline.org/> . **FYI: Median TRS pension is now \$48,842 per year.**

Please call your legislators and tell them not to reduce our benefits:

Rep. John Bradley 997-9697 / (217)782-1051 Sen. Gary Forby 439-2504 / (217)782-5509

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WCRTA Fall 2013 Membership Report
Steve Maxwell, Chair

New Members

- 1. Jan Starnes
- 2. Linda Flowers
- 3. Harold Collier

Deceased Members

- 1. Harold Raymond
- 2. JoLinda Reimer
- 3. Yolanda Kee

Address Updates

- 1. Janet Broomaugh
- 2. Mary Faulkner
- 3. Linda Flowers
- 4. Deon Hickey
- 5. Jaclyn Hancock
- 6. Ruth Ann Rabideau
- 7. Melanie Stefan
- 8. Mike Stefan

Note: The website for WCRTA, <http://williamsoncountyrta.weebly.com/> is constantly undergoing updating. Please review it periodically and let me know if something needs to be added, deleted or modified. Also email me with your updated email address. Thank you!

Potential Changes in Healthcare Options for Medicare Eligible Retirees

CMS, the state agency that oversees healthcare options for retirees in all of the state's plans, has issued a Request for Proposals to health insurance providers to develop and submit plans for a Medicare Advantage plan for those annuitants eligible to receive Medicare.

(Go to <http://www2.illinois.gov/cms/employees/benefits> and look for State-Sponsored Medicare Plan for further details.)

The RFP will allow the state to incorporate Medicare into the healthcare plans they administer, allowing for cost-saving. This will mean that Illinois will administer both Medicare and what has been available as supplemental coverage. Speculation is that CMS will provide the option of a Medicare Advantage plan or a Medigap plan when the RFP process is complete.

Watch for information about this change from CMS, TRS, IRTA, IEA, etc. and read the descriptions carefully before making any decisions about your own coverage.

TRS annuitants who are over 65 but ineligible for Medicare coverage can not be eligible for the Medicare Advantage plan. They will still be eligible for TRIP insurance.

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Dues Increase to be Considered at IRTA Convention

WCRTA will have a full complement of 8 delegates going to the IRTA Convention in October. Our delegates will be Bob Campbell, Mary Lou Gander, John Harland, Judi Harland, Don Kragness, Marge Mangan, Anna Morris and Tom Oates.

One of the items on the agenda will be a proposal to increase the dues structure of the IRTA. All categories of membership dues payment will be modified by the proposal but the one that is probably of the most interest to WCRTA members is the Dues Deduct method.

Dues paid by monthly deduction from the TRS annuity have been \$2.00 per month or \$24.00 per year. The proposal would change that to \$2.50 per month or \$30.00 per year if it is passed by the delegates at the convention.

The WCRTA board also discussed the issue of increasing the dues for the local unit from the current rate of \$5.00 annually, but decided to wait until after any action at the convention and to do further research on the amounts paid currently by other units in the area. The chart below shows the dues structure for the other units in Region 18.

Alexander-Pulaski-Union	\$10.00	Johnson	\$5.00
Gallatin-Saline	\$10.00	Massac	\$5.00
Jackson	\$10.00	Pope-Hardin	\$5.00

Let your convention representatives listed above know how you feel about the proposed dues increases for IRTA. Also, please share with your board members your feelings about increasing the local unit dues from the current rate of \$5.00 annually.

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IF YOU ARE NOT A MEMBER OF IRTA, PLEASE CONSIDER BECOMING A MEMBER NOW!