



President's Report

The next general membership meeting, a luncheon, is scheduled for **Tuesday, May 7th** at **Mackies Pizza in Marion at 12 noon**. We have scheduled a speaker, Jane Otte, with an unusual but interesting topic: Gun safety in the home. We encourage you to attend, learn the latest news and enjoy visiting with fellow retirees. As always, we suggest you "invite and bring a friend"

The WCIRTA hosted a dinner meeting for 2019 teacher retirees from Williamson County on April 23rd. There are fifteen new retirees this year with Marion leading the list with six. We hope the "newcomers" become active in WCIRTA events. New retirees received information about IRTA services along with a one year free membership in WCIRTA.

A reminder that the 2019 dues for WCIRTA are now due. Steve Maxwell, membership chair, reports that we now have 118 paid members. Membership dues, \$10 per year, can be mailed to: Mr. Kent Carrell 311 South 4th Street Mariion, Ill. 62959

There are two candidates vying for one position as a TRS Teacher Retirement System Trustee. The two candidates are Cinda Klickna and Doug Strand. The IRTA is endorsing Doug Strand. TRS annuitants can vote online for the candidates with voting ending on May 1, 2019.

There are three candidates, Marsha Byas, Kathleen Hinz and Andrew Hirshman, seeking two positions as active teacher candidates on the TRS board.

John Harland is our Legislative Chairman and keeps the WCIRTA board and members updated on legislative events going on in Springfield.

The IRTA has strongly opposed Governor Pritzker's proposed \$576 under funding of the states contribution to the TRS system. The TRS Spring Newsletter has Executive Director Kick Ingram's views and comments. Please read this informative TRS bulletin for a more in-depth statement.

The IRTA Foundation is once again making available \$35,000 in "Excellence in Education" grants to current teachers. Applications on-line will be accepted until June 1, 2019. The IRTA Foundation also sponsors scholarships for current students in the field of teacher education. Area Six awarded six grants and two scholarships last year. Judi Harland represents the WCIRTA as a Foundation representative.

Please make your calendars for future WCIRTA meetings: Monday, August 12th 1:30 PM , (pie meeting) Johnston City- St. Paul's Center; Thursday, October 17th, 12 noon, (luncheon) Herrin- Mary's Restaurant . All meeting will have a featured program and speaker.

Bert Gordon
WCIRTA President

Legislative Information

The following is legislation that affect IRTA members. First, HR 6 is a perennial resolution that urges Congress to repeal the Windfall Elimination Program (WEP). IRTA supports this Resolution, this remains a Federal Issue. Second, HR 32 is a perennial resolution that commemorates the dangers of taxing retirement income. IRTA supports this Resolution, but it is non binding. Third, HB 2700 is a legislative initiative that attempts bring fairness to the situation where a retiree over or underpays their premiums for TRIP or TRAIL, This legislation with give the member the same amount of time to repay or to receive a refund from CMS. Presently, over payment can only be refunded for up to 6 months to be received from CMS, but underpayment are to be paid in their total amount. This is supported by IRTA and the bill has passed out of committee. Fourth, HB 3131 requires each pension system (including TRS) to develop and maintain a annuitant database where a retiree's personal information can be searched. IRTA opposes this legislation and the bill is still in committee.

General Information

Governor Pritzker is proposing a reduction in Illinois Teacher Retirement Contribution of \$587 million. This is presently Governor Pritzker's recommendation. With control of both the House and the Senate by Democrats it is likely to occur. Governor Pritzker did recommend fully funding of the Teachers Health Insurance Retirement Program. This is encouraging since Governor Rauner did not recommend in his budget. By law both governors are and were required to fully fund this insurance.

Bob Lyons Discussion of Pensions

Your Pension

I could never understand why our best pension benefit that our pensions are automatically compound by three percent annually regardless of what inflation does, that the General Assembly required no one to pay for it. I have finally figured it out. State pensions in Illinois used to grow ever year by three percent simple. That is, every year your pension would increase by the same amount (three percent) of what it did at the end of your first year retired. That changed in 1989 and was brought about because of the growing concern about the level of past inflation and Illinois legislators passed a law to compound the annual three percent growth.

Inflation Before 1990 Inflation 1990 and After to 2018

1969	6.2%	1990	6.1%	2011	3.0%
1970	5.6%	1991	3.1%	2012	1.7%
1971	3.3%	1992	2.9%	2013	1.5%
1972	3.4%	1993	2.7%	2014	0.8%
1973	8.7%	1994	2.7%	2015	0.7%
1974	12.3%	1995	2.5%	2016	2.1%
1975	6.9%	1996	3.3%	2017	2.1%
1976	4.9%	1997	1.7%	2018	1.9%
1977	6.7%	1998	1.6%		
1978	9.0%	1999	2.7%		
1979	13.3%	2000	3.4%		
1980	12.5%	2001	1.6%		
1981	8.9%	2002	2.4%		
1982	3.8%	2003	1.9%		
1983	3.8%	2004	3.3%		
1984	3.9%	2005	3.4%		
1985	3.8%	2006	2.5%		
1986	1.1%	2007	4.1%		
1987	4.4%	2008	0.1%		
1988	4.4%	2009	2.7%		
1989	4.6%	2010	1.5%		

In the 21 years from 1969 through 1989 there was only one year that inflation was less than 3.3% and the average annual rate of inflation was just over 6.2%. In making the decision in 1989 to change our annual increase from three percent simple to three percent compounded, the members of the General Assembly made what they felt was a reasonable assumption that inflation would continue and that it would grow at the rate that it had been for more than 20 years. Since state pensions had not kept up with inflation they would provide a necessary increase, but they did not ask anyone to pay for it because they assumed it would not really be expensive. The change would cost the state, but they assumed it would still run behind inflation. And growing inflation would mean the state would collect more tax revenue.

People predict the future by looking at the past and that is what the legislators did in 1989 and they were wrong. In the 29 years that our pensions have grown by three percent per year, inflation has grown, but at an annual average rate only of 2.4 %, and only seven years did it exceed 3% and only once has it touched 4%. I could never understand why the members of the General Assembly failed to require an increase in contributions from anyone for such a great benefit. The simple answer was they did not expect it to be a great benefit, nor to be expensive. They expected inflation to rise at a significantly higher rate that would thus result in growing tax revenue that would more than make up for the increased costs that would result from the compounding. The reality is that the change from 3% simple to 3% compounded did just what it was supposed to do and it has more than protected us from inflation.

I will assume that you were all taught the Rule of 72, thus you know that an annual growth rate of 3% will double your pension in 24 years. Pensioners like myself that have been retired for 24 years or more, now make more money retired than we ever did when were teaching. As I am sure you well understand, that is not something that I share with my non-teaching friends. I am also sure that you know that if it was up to the editorial boards in Illinois that not only the compounding of our pensions would disappear but also the figure of three percent would be gone. Many point to this compounding as the reason that the state is compelled to put so much more money into its annual contribution to the five pension systems. The truth is that this year 76% of the \$8.5 billion going to pensions is to make up for the continuous past under funding of the five systems. If Illinois pensions were fully funded, all it would take to fund the pensions for all current employees would be just a little more than two billion dollars. The so-called pension problem in Illinois has in reality not been caused by cost of our pensions, but by the failure to fully fund them.

We have a new governor and fortunately Governor Pritzker has said at the outset that Illinois pensions are protected by the state constitution. We can only hope that that means the General Assembly will not waste time their time by trying to reduce the cost of our benefits. Sadly though, the new governor is still willing to resort to a partial pension holiday by reducing the state's contribution to the five pension systems. TRS and the other four pensions were expecting to divide up \$9.1 billion for Fiscal Year 2020, but Pritzker in next year's budget has reduced the number by \$878 million. Our share of that reduction will be \$576 million. He also plans on reducing the state's contributions for the years ahead by shifting the target for the current pension repayment plan by adding seven years to the goal of reaching 90% funding changing the target date from 2045 to 2052. The governor does propose to sell \$2 billion in new pension obligation bonds. Our share of the two billion would somewhat make up for our loss of immediate revenue, but it would hardly help for the long term. Is the governor going to borrow \$2 billion every year going forward? As Pat Quinn learned when he turned to borrowing to meet an immediate demand that there is the inconvenient drawback that money borrowed needs rather quickly to be repaid and repaid with interest. The study of economics if it teaches anything drives home the lesson that there is no free money. Every dollar "saved" by not going into the pension funds will in the fullness of time need to be repaid by three dollars. We have been down this road before.

"When will they learn, when will they ever learn."

Bob Lyons

Two IRTA Scholarships Awarded in Area 6

Six students applied for the Area 6 scholarships. The two scholarships will be awarded at the Area 6 Leadership Training Sessions at Carbondale and Collinsville in June. The winners will be announced by April 21.

Excellence in Education Grants for Active Teachers

The Illinois Retired Teachers Association Foundation is offering a total of \$36,500 in grant money to public school educators (Pre-K through 12) for classroom projects statewide. Teachers can download, complete, and submit the application online from the IRTA website.(www.irtaonline.org) All applications must be submitted online to the IRTA Foundation by June 1, 2019. **Please encourage public school educators to apply for this grant money.**

Membership Report - Spring 2019

I am pleased to announce that as of mid-March the WCIRTA has 118 active members. Thanks to all those who renewed their annual membership. Some of those include Deborah Bouse, Lareva Bradley, Beth Butler, Carolyn Grant, Janice Heniger, June James, Shirley Simpson, Sharon Armstrong, Gary Dooley, and Myrna Dooley, Special Congratulations and THANKS to Monty Tyner and Beckie West who recently joined in March, 2019. I thank them for their membership the next time you see them. Your board of directors continue to reach out to the 217 retirees who are not current members.

Our most recent membership meeting was the annual leadership meeting at the Crab Orchard Golf Club. We has 35ish retirees brave the weather to come enjoy the breakfast buffet, fellowship with their retiree friends, and to also hear Illinois House of Representatives member for the 117 district the honorable Dave Severin and Illinois Senate member for the 59th district, the honorable Dale Fowler speak to the group. Both were welcomed by WCIRTA President Bert Gordon and both briefly discussed recent political events. Our WCIRTA members were pleased to have them attend and to also spend a short time answering questions. Thank You Sirs for taking the time to attend our meeting.

Our next membership meeting is on Tuesday May 7 at Mackie's Pizza in Marion. This meeting will start at 12:00 noon and features a buffet meal. Your board of directors will be hosting a New Retirees dinner meeting on April 23 at 6:30 also at Mackie's. I've been given a list of 13 faculty or staff from the 5 school districts that have planned to retire at the end of this school year. I'll know for certain by then who is making it official. Please mark your calendar for the May 7th meeting and plan on attending. Your presence at the meetings is always appreciated. Your input, suggestions, and any time you can volunteer to the WCIRTA is much appreciated.

The WCIRTA lost 2 retirees who recently passed. Ruth Blackburn, age 107, passed in January of 2019 and Phyllis Maragni, age 71, passed in March of 2019.

I continue to update the WCIRTA's website at: <http://williamsoncountyrta.weebly.com/> Bookmark the site and don't hesitate to make suggestions, give opinions, and update suggest corrections.

Steve Maxwell, Membership Chair Williamson County Retired Teachers Association

WCIRTA Treasurer's Report

1/19/2019	\$2,981.68	\$2,981.68
Dues	\$500	
Expenses	Copies \$7.00	
	Filing Fee \$39.95	
	IRT Foundation (James Benton) \$10.00	\$56.95
Ending Balance		\$3424.73

It is time to pay 2019 dues! Do it today! Local dues are \$10 per year. Make check to WCIRTA

Mail to Kent Carrell, Treasurer, 311 S. 4th. St. Marion, IL 62959