

WCRTA

Summer, 2014



Aug. 14
Lion's
Depot in
Marion
1:00 pm

Oct. 20
St. Paul
Parish
Center
in J.C.

In my letter to you in the Spring Newsletter I told you that WCRTA members and other state of Illinois retirees were awaiting the judicial system's response to the multiple lawsuits that have been filed as a result of the action of the General Assembly and the Governor resulting in Public Act 98-0599, the so-called pension reform legislation. We are now nearing the end of summer and little has yet happened on the various lawsuits entered by IRTA and others. One court action that may have an impact on the yet to be acted upon litigation was the 6-1 verdict by the Illinois Supreme Court that it was unconstitutional for the legislature to require state retirees to pay toward their health insurance going forward when it had previously been provided at no cost. Most observers think this will be the spike in the heart of Senate Bill 1 and that the court's ruling almost guarantees that IRTA and the other plaintiffs will prevail because the state's action will be found unconstitutional on the grounds that it unfairly diminishes pensions promised years earlier.

The Supreme Court will likely not even get the lawsuits until after the first of the year. Education bloggers and others are convinced that the state will lose the battle with retirees and have to go back to the drawing board for a Plan B, since SB 2404 never gained traction anywhere but in the Senate and is not likely to reappear. The consensus is that Illinois does not have a pension problem but it does have a revenue problem. How to address the revenue shortfall will have to be addressed sooner or later and the longer the politicians wait the more drastic the solution will have to be. Governor Quinn has staked out his position on extending the tax increase scheduled to sunset in a few months and is campaigning accordingly. The Republican challenger, multi-millionaire investment banker Bruce Rauner, maintains that he has a plan to solve the state's fiscal crisis but has not been very forthcoming with its details. (The limited details that have been announced have been attacked, not only by Democrats but by those who are in theory non-partisan observers.) It really does appear that the voters have a choice between two very bad options in the upcoming gubernatorial election.

While our concern is primarily with the lawsuit challenging the pension raid enacted with the passage of SB 1, there are other issues that IRTA and WCRTA need to address. IRTA has added staff as a result of the decision to raise dues by last fall's convention and emphasizes the need to expand our membership. What is true of the state IRTA is also true in Williamson County. There are just under 400 retired teachers who have membership in WCRTA but the county has nearly twice that number listed on TRS records. We need to grow WCRTA's membership base as well as increase the number of local retirees who also are members of IRTA. Talk to your friends and former co-workers who are not in our organization and encourage them to join us.

Our summer meeting will be August 14 at 1:00 PM at the Lions Depot on West Main Street in Marion. Our speaker will be Rich Frankenfeld, Director of Outreach for TRS. I heard his presentation last month at another Unit's meeting and his slide presentation and response to questions were both outstanding. Plan to join us at the Marion Lions Depot on Thursday, August 14 and see for yourself. There will be no luncheon available this year, but you will have a chance to "Make Your Own Ice Cream Sundae" during the refreshment time.

As always, I encourage you to remain vigilant; become better informed; let our legislators know how we feel; join and support IRTA; sign up for and use IRTA's Voter Voice; join IRTAPAC with a \$1 monthly payroll deduction from your TRS check; send a personal check to IRTA for a contribution to the Legal Defense Fund and don't ever give up! We will talk again in the next issue.

Bob Campbell
WCRTA President &
IRTA Region 18
Legislative Liaison

Williamson County Retired Teachers Association

Board of Directors Meeting June 25, 2014

Held at Good Shepherd Lutheran Church, Marion, IL

Roll Call Present: Bob Campbell, Steve Maxwell, Anna Morris, Mary Lou Gander, Kent Carrell, Tom Oates, Don Kragness, John Harland, and Marge Mangan. Absent was Loren Taylor; prayers were requested for his wife, Gayla.

Call to Order President Bob Campbell called the meeting to order.

Approval of Minutes Tom made a motion to accept the Minutes; Steve seconded. Motion passed.

Treasurer's Report Treasurer Don Kragness reported the balance as of June 23, 2014, was \$2,597.95. Don also stated that the books are ready to be audited. Tom Oates will audit books.

Update membership information Each board member present took a page from the membership list and will contact members who do not have an e-mail address. Our concentration now is to get e-mail addresses. The deadline to get this updated information to Don is July 10.

August 14 membership meeting

Meeting will be held at the Marion Lion's Depot on Main Street at 1 P.M, with the speaker being TRS's Rich Frankenfeld. He will have a power point presentation.

An ice cream social will be the refreshments for the August 14 meeting.

Newsletter

We will be mailing newsletters only to those members not having an e-mail address. We may have to pay first class postage because of the number sent. Discussion on who will pay postage – ROE or WCRTA. Will discuss with Matt Donkin.

Deadlines for Newsletter: July 10 – Updated membership information to Don.

July 25 – Reports to Tisch

Aug. 1 – John to pick up newsletters at ROE's office.

Aug. 4 – Ready to mail or e-mail (2 weeks before meeting)

October meeting at Johnston City. Cynthia O'Neill will be the speaker. Meeting will be on October 20, at St. Paul Parish Center in Johnston City.

Report: Legislation – Anna Morris reported. "TRS cut the estimated rate of return on TRS investments from 8% to 7.5%. means that the State will be paying \$500 million to Teachers Pension System – up from \$3.4 billion in FY July 1. IRTA will be buying a new building in Springfield – IRTA Foundation technically will own the building.

Future Meetings: Aug. 14, 2014, Membership Meeting, Marion Lions depot

Sept. 10, 2014, Board of Directors Meeting, Marion

Oct. 20, 2014, Membership Meeting, Johnston City

Dec. 10, 2014, Board of Directors Meeting, Marion

Marge Mangan, Secretary

Williamson County Retired Teachers" Association Treasurer's Report

Beginning Balance \$2355.74

Income (Dues) \$605.00

Expenses

| | |
|----------------------|----------|
| IRTA Foundation | \$20.00 |
| Postage | \$19.60 |
| Reg. 6 Conference | \$84.00 |
| New Retirees' Dinner | \$154.44 |
| Printing | \$14.75 |
| Total | \$272.79 |

Ending Balance 7/19/14 \$2,687.95

It is time to pay your 2014 Local and State Dues. Red "X" by your name on mailing label means your Local dues for 2014 are NOT paid.

Please make your check for \$5.00 to WCRTA..

Mail to DON DRAGNESS, 14802 POOR FARM ROAD, JOHNSTON CITY 62951

Re: Legislative Update

Fr: Anna Morris

Like a marriage gone bad, **the lawsuit challenging the pension reform law continues to advance in court.** **The major case made** by public pension groups, including retired teachers, is based on the State Constitution's assurance that pension benefits cannot be "diminished or impaired."
The State's prime argument is based on its sovereign rights (police power) to protect the health, safety, and morals of its citizens, thus making it able to override the Constitution's protection. It asserts a crisis exists because its debt to the pension systems constitute almost four years of the total state budget.
An indirect ruling of the circuit court forbids implementation of the reform law until the case is settled. (It was slated to start June 1, 2014.) **This is a victory for the plaintiffs.** A final trial date is not yet set, but arguments are expected to be heard in the fall.

However, the State Supreme Court issued a "bombshell" ruling in a related case on July 3. In a 6-1 decision, it ruled that promised insurance benefits to state and university retirees were a part of their pension benefits and were indeed protected under the constitution and could not be diminished or impaired. In other words, the Constitution means what it says. It noted that the sovereign powers argument was made when the writers of it were crafting the pension protection section. And the language was meant to be specific and the document was approved by the voters who affirmed its adoption.

In further countering the State's argument, the Court stated "the Constitution was aimed at **protecting the right** to receive the promised retirement benefits, **not the adequacy of the funding to pay for them.**

The Supreme Court's ruling in this case would seem to forecast what it will likely rule in our lawsuit now being heard—perhaps a victory in what we've been fighting for.

For certain, **it's another chapter in a problem that won't go away.** Not surprisingly, neither candidate for governor appears to offer a solution that would pass constitutional muster. **Rauner's most recent plan would freeze the COLA going forward and would take existing employees out of the pension fund altogether.**

Finally, two other court decisions are of interest to educators. A California court ruled that teacher tenure would not count in retention and pay. And the Federal Supreme Court determined that home care workers did not have to join or pay union dues.

News related to our retirement system (our TRS representatives on the TRS Board are Cynthia O'Neill and Bob Lyons): Please note: In the Summer 2014 edition of the IRTA Action newsletter, an article entitled "Legislative Health Insurance Update" incorrectly states, "This change [to the Medicare Advantage Program] which removed members from Medicare, has had positive effects for many members. . . ." **The state's Medicare Advantage Program did not remove members from Medicare.** A Medicare Advantage program is a different way of administering the federal program.

At the June 2014 board meeting, TRS lowered the 8.00% investment return assumption to 7.5%. This means that the state's required contribution for Fiscal 2015, which is currently \$3.4 billion would need to be \$3.9 billion. The pension fund now has over \$44 billion in assets.

**For more information: Teachers Retirement System(TRS): 1.800.877.7896 <http://trs.illinois.gov/>
Illinois Retired Teachers Association (IRTA): 1.800.728.4782 www.irtaonline.org**

HEAR IN AMERICA—BENEFIT

HEAR IN AMERICA HEARING PLANS IS AN INFORMATIONAL BENEFIT FOR ALL IRTA MEMBERS AND THEIR IMMEDIATE FAMILY.

HEAR IN AMERICA PROVIDES MORE THAN JUST DISCOUNTS, THEY HAND PICK EACH OF THEIR HEARING CENTERS FOR QUALITY. IF YOU HAVE QUESTIONS, YOU CAN TALK TO ANY OF THEIR REPRESENTATIVES WHO ALL HAVE ADVANCED TRAINING IN HEARING PROBLEMS AND HEARING AIDS. AS A MEMBER OF THE IRTA, YOU ARE ENTITLED TO THE FOLLOWING BENEFITS:

FREE ANNUAL HEARING SCREENING.

REFERRALS TO QUALIFIED LOCAL HEARING CENTERS.

FULL LINE OF HIGH QUALITY HEARING AIDS FROM TOP MANUFACTURERS WITH PRICE UP TO 65% OFF SUGGESTED PRICES.

THREE YEAR REPAIR WARRANTY INCLUDES REPAIR AND LOSS AND DAMAGE INSURANCE INCLUDED WITH NEW PURCHASES AT NO ADDITIONAL CHARGE.

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CALL 1-800-286-6149 TO REGISTER FOR YOUR FREE BENEFIT!!

BENEFITS CHAIRPERSON, MARY LOU GANDER

WCRTA Membership Report - July 2014

The Williamson County Retired Teachers Association continues to increase its membership and now have about 370 retirees on our roster. **Geraldine Mieldezis** is one of our newest members and retiree **Mary Faulkner** is the most joining in July of 2014. The majority of our members have elected the Dues Deduction, but other options are available. Our newsletters are now electronic and easily read on the WCRTA website at:

<http://williamsoncountyrta.weebly.com/newsletters--meeting-minutes.html> . Members with email accounts are now getting their newsletters emailed and those without will continue to get the newsletters in their mail boxes. We continue to encourage all members to update the roster any time you move, get a new phone # or a different email address. For more information feel free to roam around the WCRTA website at : <http://williamsoncountyrta.weebly.com/>

If you have not paid your 2014 dues, don't forget to send your \$5.00 dues to Don Kragness or bring to our meeting at the Lions Depot on August 14th.

Steve Maxwell
WCRTA Membership Chairperson

Williamson County Retired Teachers Association May 12, 2014, Membership Meeting Mackie's Pizza

The speaker for the afternoon was Bob Boxell, a contractor for United Health Care. His first suggestion, if anyone has questions or concerns, is to contact Central Management Services (CMS).

Mr. Boxell spoke on CMS services and gave information from CMS.

*PCP=primary care physician.

*Extra-Help=A Medicare program to help people with limited income and Resources. Members can apply at any time.

*Income Related Monthly Adjustment Amount (IRMAA). IRMAA will apply if individual income is over \$85,000 or, if married, (filing joint tax return) is over \$170,000.

*Annual out-of-pocket maximum is \$1,000.

*co-pay=a set amount

*co-ins=percentage of insurance.

*PDP=Prescription Drug Plan—There are 4 tiers: Generic, Preferred Brand, Non-preferred brand and Specialty.

*Wellness Exam = no cost to us.

*Ideas for wellness =“Silver Sneakers”, possible hospital facilities would be available,etc.

If there are other companies that CMS determines to be eligible, then Medicare Advantage Plan could be a choice. Bob Campbell encouraged everyone to contact TRS, U.H.C. And CMS.