

NEA-Alaska/Retired

FALL 2013 • Volume XXVIII No. 1

NEA-Alaska/Retired Bylaws Change

The following is the proposed change to our Bylaws to bring them into compliance with our current practice. Please study the change and be ready to vote online starting in mid-December. You will be able to find information on our retired website or on our Facebook page when voting goes "live." Remember you will need your Access card number in order to vote.

NEA-ALASKA/RETIRED BYLAWS

SECTION E, 2. Elections, a) Board of Directors

~~Election of officers and Directors-At-Large shall be by single transferable ballot. Members shall mark their ballot in order of preference (1, 2, 3, etc.). A candidate receiving a majority of the first choice votes shall be declared elected. If no candidate received a majority of first choice votes, the candidate receiving the lower number shall be dropped and his/her ballots redistributed to the second choice marked thereon. This procedure to continue until a candidate receives a majority of the ballots cast and is declared the winner.~~

The candidate who receives a majority of the votes cast is declared the winner.



**Look Inside
for Information
on RA 2013**

Communication and Networking

The grant that NEA-Alaska/Retired received has given us a greater opportunity to reach out to our retired and pre-retired members. We recently sent mailers to those for whom we did not have current email addresses and are now updating our files. We are also working to ensure that we have correct addresses for everyone.

We hope that you have been following us on our NEA-Alaska/Retired website where you will find updated information and archived articles and newsletters. We have also been fine-tuning our Facebook page.

Remember that the Retired Board is here for you. Please contact us if you have questions or concerns.

Website: <http://nealaskaretired.com>

Facebook: On your Facebook page, search for NEA-Alaska/Retired and ask to join.



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This newsletter is the official publication of NEA-Alaska/Retired, printed four times a year: September, December, February, and May. Retired members are encouraged to submit articles, as well as voice comments and concerns. Articles should be sent in Word via email to bwstekak@yahoo.com no later than the 1st of the publication month.

President's Message

aka Bob's Blurb



Health care continues to be in the forefront of issues retirees are facing today. I have received many comments from members regarding their dissatisfaction over the State of Alaska's decision to not have retirees benefit from the Patient Protection and Affordable Care Act. Members were looking forward to extended coverage for their dependent children up to age 26 and no lifetime limit on their medical coverage.

Another area of retiree health concern is not having preventative care when this benefit can save tens or hundreds of thousands of dollars when medical conditions are found and treated in the early stages rather than the later stages. It may even save lives. Waiting until a retiree reaches Medicare age in order to have preventative care is a health threat to early retirees, and those who do not qualify for Medicare will never receive the preventative care benefits. NEA-Alaska/Retired members, along with other retiree groups, have voiced these concerns to Retirement and Benefits. The State is aware of the situation.

The State is working on an optional Health Care plan for current retirees and retirees of the Defined Contribution (DC) Pension Plan. It is our understanding that when this plan is finalized, current retirees under AlaskaCare will be provided the option to convert to this new health care plan. Although the drafts address some coverage concerns, we have reviewed drafts of this plan and **we have concerns regarding potential costs to members** as deductible and co-pay amounts increase. There is also the question of maintaining the constitutional and contractual protections that we currently have in our plan. It is our understanding that the conversion is irrevocable. Our health committee is currently monitoring the development of this optional plan and will make a recommendation to members.

NEA-Alaska/Retired will continue to monitor AlaskaCare and the administration of the plan as we transition to Aetna on January 1, 2014. I would like to thank those of you who have sent emails or letters of support for our actions, as it is nice to know when we have been able to help members.

AlaskaCare Review

The transition to a new TPA -Aetna- will occur on January 1. This should reduce the confusion regarding deductibles and co-pay since it is the start of a new calendar year. We will be expecting communications from Retirement and Benefits that can provide clarity and assistance.

The Affordable Care Act will also be implemented in 2014. Our members may need help understanding the federal tax and the medical benefit impact of ACA on pre-medicare members and medicare members. We look forward to working closely with AlaskaCare in order to assist members during these changing times.

Alaska Retirement Management Board Update

This nine member board, which invests employee and employer contributions in eight (8) different assets classes to provide earnings for seven trust funds and for medical plans for Defined Contribution employees, experienced more than an 11% increase in invested assets for FY'13. PERS and TRS trust funds earned over 12.5% investment income for the fiscal year and ended the year with over 18 billion dollars in assets. The interest earnings assumption for the funds is 8%.

Turnover in the DC ranks continues to be a problem for many agencies. They serve as a training ground for employees who stay for 5 years or less and then leave the state for better retirement prospects. *For FY'13, DC employees withdrawing their 401K type retirement funds took 23 million dollars with them, about half this amount is employer contributions which under the DB plans would have remained with the pension system.*

At the ARM Board meeting in June, employer contribution rates were set for FY'15 at 44.03% for PERS and 70.75% for TRS. The amortization change from Level Percent of Pay to Level Dollar adopted last year by the

Board contributed to over a 7% increase to the PERS rate and 13% to the TRS rate. However, the Board is committed to pay down the unfunded liability by 2032. The increased payments now will actually save the State money in the future.

The ARM Board held a work session August 8 in Anchorage to provide an opportunity for the Board and stakeholders to discuss the systems' unfunded liability, which has grown from 7 billion in 2006 to almost 12 billion in 2012, and potential options to mitigate the impact on future state budgets. Recall that since employer contribution rates are set in statute, PERS at 22% and TRS at 12.56%, the state picks up the difference and the dollar amount of state assistance in FY'15 for both PERS and TRS will be \$975 million.

The work session was very productive in informing participants of the actions the Board has taken over the last 7 years to address the unfunded liability, particularly in these challenging investment times. The dialogue was encouraging and helpful. The ARM Board will make a presentation to the Senate Finance Committee later this fall. The next regularly scheduled ARM Board meeting is September 19-20 at the Westmark Hotel. The public is most welcome to testify and to sit in on the meeting.

— *Gayle Harbo*

Delegates for DA 2014

This year we received 27 nominations for Delegate Assembly 2014. The president of NEA-Alaska/Retired also serves as a delegate. Since we are allocated 33 seats for Delegate Assembly, we will NOT need to conduct an election for selecting our delegates.

NEA-Alaska/Retired Bylaws state: When the number of nominees does not exceed the number of vacancies, those candidates shall be declared elected.

Delegate Assembly 2014 will be held in Anchorage at the Hotel Captain Cook, January 30 through February 1, 2014.

If you have any topics of interest you would like your delegation to address at Delegate Assembly, please email NEA-Alaska/Retired at nea.ak.retired@gmail.com. You can also post discussions on our Facebook page at <https://www.facebook.com/groups/nea.alaska.retired/>

Henry Anderson	Rod McCoy
Bonnie Barber	Don Oberg
Sherry Barrett	Reeda Palmer
Mary Bohanan	Sharon Penttila
Leslie Boyd	Marilyn Pillifant
Steve Click	Jeanne Sande
Bob Deitrick	David Schwantes
Patrick DeSmet	Kristina Tornqvist
Karen Eddy	Gary Van Hooser
Karla Gallagher	Mary Kay Van Hooser
Barb George	Ed Viscardi
Beverly Goad	Jody Viscardi
Daniel Greer	Graham Ward
Don Hadley	Stephanie Winsor

“We Educate America... The Commitment Continues”

NEA-Retired holds its three-day annual meeting just before the NEA Representative Assembly (RA). This year, you elected Barb Stek and me to represent NEA-Alaska/Retired in Atlanta, GA, June 28-30. It was my first time to this retired meeting, and it had been fifteen years since my last RA. I anticipated seeing some of my friends from years ago (when I then thought that they were “old”) and I wasn’t disappointed. I reconnected with several and felt quite at home at this meeting of retired “educators” (the general term used for all members of NEA – classified and certificated).



Barbara and Steve hard at work

NEA-Retired (NEA-R) started the five general sessions with the usual business - flag salute, patriotic song, “Welcome to Atlanta,” remarks and more remarks, and nominations for the various NEA-R elected positions. Of course there was a “Welcome Reception” in the early evening with more mixing of the almost 300 delegates from across our country (and some who had taught on US military installations, domestically and abroad). After three more general sessions, we ended the fifth on Sunday afternoon after debates and votes on a few proposed New Business Items (NBIs) and Resolutions that were being brought to the NEA RA, along with the customary recognition of retiring NEA-Retired leaders and comments by newly elected ones.

Before we ended our meetings on Sunday, several awards were announced, such as the NEA-Retired Distinguished Service Award, membership awards, and retired affiliate communications awards. **!!CONGRATULATIONS!!** NEA-Alaska/Retired earned a 2nd place for our website. Hooray and Hurrah! I extend a big “Thank You, Well

Done” to Mary Bohanan for being our webmaster.

Here are some highlights from the NEA-Retired Annual Meeting:

- As a total association, NEA has lost membership over the past couple of years, while NEA-R has had an increase this year (over 8,800 members). With over 21,000 pre-retired, our NEA-R strength nationwide is 315,585 (as of May 3, 2013).
- Our keynote speaker, Captain Mehran S. Massoudi (Centers for Disease Control), spoke about the role of the US Public Health Service. The leading cause of death in the US (2007-09) was due to chronic disease. Alzheimer’s is the 5th leading cause of death for those 65 and older, while 7 out of every 10 deaths are from heart disease or cancer. He recommended that everyone live “healthy behaviors” – (medical) intervention early on, healthy eating, no tobacco, timely (medical) screenings, physical activity, and adult immunizations. Use the following website to access the CDC Healthy Aging Program: www.cdc.gov/aging
- On Saturday morning, many of our retired delegates worked with the NEA student organization in “Out-reach To Teach!” – a morning-long activity providing a major makeover at a local school in Atlanta. During the same time, there were informational/training sessions in which we took part. I attended the Media Spokesperson Training while Barbara attended the Ambassador in My Community session.

Being an important “caucus” of NEA, we had speeches from NEA President Dennis Van Roekel, NEA VP Lily Eskelsen Garcia, and NEA Secretary/Treasurer Becky Pringle. Each spoke about public education, their particular roles in working for and representing the members of NEA, while always including this year’s mantra for the NEA RA – “Raise Your Hand.” We were also updated on



"We Educate America" Cont.

our lobbying efforts in Washington, pushing for "kids not cuts," how the current Congressional sequester cuts are affecting public education, and how social service decreases directly affect our students and their families.

Of major importance nationally is the goal of ending the Windfall Elimination Provision and the Government Pension Offset (WEP and GPO), majorly affecting fifteen states, including Alaska, but every state has retired members living inside their borders affected by the WEP/GPO. Lobbying efforts continue to be made by local and state affiliates, as well as the NEA.

Of course, an important part of any gathering of NEA members is the NEA Fund for Children and Public Education and we didn't hold back. Retired delegates contributed \$27,824 since the last NEA Retired Annual Meeting in July 2012.

You might remember reading about the Jack Kinnaman Scholarship program. It is named after Jack, an NEA member extraordinaire often seen wearing a seven-foot tall Cat-in-the-Hat costume promoting "Read Across America." He was especially concerned for those students who were financially impacted and needed a helping hand. This year, two college students, pursuing a career in education, received a sizeable scholarship. You can donate to the scholarship fund by sending a check to the NEA Foundation, with a notation in the memo area indicating the Jack Kinnaman Scholarship, addressed to JKSF, NEA Executive Office, 1201 16th St. NW, Washington, DC 20036.

— Steve Click

NEA-Alaska Board of Directors' Meeting September 13-14, 2013

The NEA-Alaska Board of Directors' fall meeting was held September 13-14, 2013 at the Anchorage office. The Region R Directors will be assuming some responsibilities related to identifying members to be contacts with legislators and working on an NEA-Alaska oral history project. There will be more information about these activities as the plans are developed.

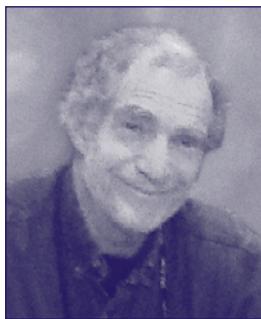
The following are the actions and recommendations adopted by the Board;

- Approved appointments to fill vacancies for Board positions for Region IV and VI.
- Approved the removal of the NEA-Alaska Executive Director as the Plan Administrator of the NEA-Alaska Health Trust.
- Approved removal of the separate designated cash account and related fund balance entitled Staff Insurance Health Stabilization Account.
- Approved the NEA-Alaska President's salary at a rate of 2.25 times the teacher's average salary plus the benefit package - this will also be brought to DA through the 2014 Constitution and Bylaws Committee.
- Approved the feedback and input form for the NEA-Alaska Executive Director.
- Approved the position description for the NEA-Alaska Executive Director.
- Approved that the NEA-Alaska Executive Director evaluation process be added to board policy.
- Approved the NEA-Alaska/Retired subsidy agreement through 2015.
- Approved support of the resolution taken by the ARM board concerning the TRS and PERS unfunded mandate.
- Approved the salary increases for the NEA-Alaska Executive Director to cover the years 2012-2015. The contract was extended at the March 2013 board meeting, but the salary portion was delayed until after the settlement of the NSO contract.

Respectfully submitted by the Region R Directors

— Nancy Allen, Gayle Harbo, and Susan Stitham

Caution Advised



The Department of Administration is developing a health plan specifically designed for employees who are in TRS Tier III and PERS Tier IV. The plan will also be offered to active employees and retirees in the other tiers. While the details of the plan are not yet available, the NEA-Alaska/Retired Health Committee is

informing our members about this now to make sure they have all the facts about the plan before electing to move from the current AlaskaCare Health Plan. The 2013 NEA-Alaska Delegate Assembly (NBI #13-28) committed to disseminating detailed information about the plan as soon as it becomes available.

A bit more than a decade ago, NEA-Alaska took the State of Alaska to court in order to protect the health benefits of our retirees. This important lawsuit has become known as the Bradner Case. While other unions may have jumped on the legal bandwagon, it is important to note that NEA-Alaska paid the entire cost of this legal action. The decision in that case can be summarized as follows: The state may rearrange benefits and costs, but it cannot diminish the value of the plan for retirees. For every increase in costs to plan participants, there must be a corresponding increase in benefits.

Last year, the Commissioner of Administration informed the NEA-Alaska/Retired Board and the Health Committee that this new health plan was being developed for employees in the Defined Contribution pension systems and would be offered to employees and retirees in the Defined Benefit pension system. She was asked whether the protections of the Bradner case would be applied to

the new plan. In other words, she was asked whether the state would only change the benefits of the new plan in such a way that the overall value of the plan was not diminished for retirees. She replied that the state did not intend to offer that protection to participants in the new plan. This means the state may, in the future, change the benefits to the plan in such a way that overall benefits will be reduced or costs increased. What you see now may not be what you get in a few years.

Even though we do not yet know the details of the second plan... and will inform members about them when they become available... we want to urge all our members to exercise extreme caution when considering whether or not to switch from AlaskaCare to the new plan because the protections of the Bradner case will not apply to you if you do so.

— *Rich Kronberg,
NEA-Alaska/Retired Health Committee*



Did you know...

AARP members save 10 percent on weekday lunches and all day Monday at Outback Steakhouse. Go to aarpdiscounts.com/outback3 for more information.



Savings up to 25 percent may be had when you rent through Budget Rent-a-Car in the U.S. and Canada. For details, go to aarpdiscounts.com/budgetcar3 or call 800-733-9092.



Action in Atlanta

Steve Click and I were your delegates at the 2013 Representative Assembly. I once again served on the Elections Committee while Steve had the “privilege” of rising at the crack of dawn (as did my roomie Michelle from Juneau) to preview all amendments and new business items before they were brought before our caucus.

NEA President, Dennis Van Roekel, delivered the keynote address. Here is a quote from his speech - “Let’s be clear about this. *We are not resistant to change. And we are not satisfied with the status quo. But we will resist short-sighted and damaging solutions for one simple reason – they don’t work for students!... So we must empower our members to create change. ... We can do it because We Educate America – from pre-K to graduate, in every state and around the world.”*



Ron Fuhrer and Susie Butler Smith



CNN – Ride to the Top

We also heard from the ESP of the Year, Donna Schulze, and the Teacher of the Year, Jeff Charbonneau.

Lily Eskelsen Garcia has announced her candidacy for NEA President and Rebecca Pringle is running for NEA Vice President. There are two announced candidates for NEA Secretary-Treasurer: Princess Moss and Greg Johnson.

Ninety three New Business Items were introduced. The final cost of approved NBIs was \$196,849. Common Core Standards and related issues were addressed. New Business Item 3 was adopted as amended: *That NEA calls for a moratorium on using the outcome of the tests associated with the Common Core standards, except to inform instruction, until states and districts have worked with educators to create authentic, locally-developed curriculum, assessments and professional development related to the Common Core.*

For full coverage of the 2013 RA, go to: nea.org/ra.

I had an extra day in Atlanta before the meetings started and was able to tour the Coca-Cola visitor’s center and the Georgia Aquarium. Both were excellent. Our Alaska Night turned into an Alaska Morning as we toured the CNN building after our caucus meeting. That was most interesting. It was fun, and a little scary, to ride up the eight-story escalator.

Thanks for electing us as your representatives!

— Barbara Stek



My Buddy Bear

NEA-Alaska/Retired

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Non-Profit
Organization
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Anchorage, AK

Please be sure to study the proposed Bylaw changes shown on page one.

HELP REPEAL UNFAIR PENSION OFFSETS – SUPPORT THE SOCIAL SECURITY FAIRNESS ACT

Current bills in Congress to repeal the unfair pension offsets (GPO/WEP), S 895 and H 1795, are endorsed by all members of our Congressional Delegation, Senators Murkowski and Begich and Representative Don Young. Introduced each session for many years as the “Social Security Fairness Act,” this act would repeal the government pension offset which results in complete denial of a social security check or a reduced amount. Alaska is one of 14 states where teachers and some public employees do not contribute to Social Security. When these employees reach age 65 and apply for Social Security as the spouse of a Social Security recipient, they find that they are denied. Some employed widows or those whose spouse has retired but continues to work, may receive Social Security for a time; but when they retire, the benefit will be discontinued, thus the loss of current income. Those covered by WEP will lose a portion of the Social Security benefits they may have earned in other jobs.

Your personal stories of how you have been affected are very helpful and you are encouraged to contact our Congressional Delegation members with your stories. The last issue of the AKtivist had an excellent article regarding Senator Mark Begich’s work to repeal the offsets. Thanks for your advocacy.

— Gayle Harbo

Calendar of Events

November

- 1 Deadline for Pre-filing Constitution and Bylaw Changes
- 8-9 NEA-Alaska Board Meeting, Anchorage
- 15 Names of DA delegates due to Anchorage office

December

- Newsletter submissions due beginning of month

January

- Legislature convenes
- 29-30 NEA-Alaska Board Meeting,
- 30 DA Retired Caucus Meeting, Anchorage
- 30-31 Delegate Assembly (Jan. 30 – Feb. 1)

February

- 1 Delegate Assembly continued, PACE election, Nominations due, NEA-AK PACE Lunch Meeting
- 2 NEA-Alaska/Retired Board Meeting
Begin contacting districts for names of upcoming retirees – ongoing
Newsletter submissions due following DA
Election of NEA-Alaska/Retired Board Members, Region R Director, RA Delegates