

NEA-Alaska/Retired

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Proposed Bylaws Change

Following is the proposed change to the NEA-Alaska/Retired Bylaws which would eliminate the second sentence in that section which pertains to Delegate Assembly elections. An online vote regarding this proposed change will take place in June, 2015. You will be notified with an email concerning the voting timeline.

Original Wording:

Section E, 2b, subsection 2:

Delegates shall be elected and their names submitted to the NEA-Alaska offices not later than November 15 of the year prior to the next Delegate Assembly.

When the number of nominees does not exceed the number of vacancies, those candidates shall be declared elected.

Proposed Wording:

Section E, 2b, subsection 2:

Delegates shall be elected and their names submitted to the NEA-Alaska offices not later than November 15 of the year prior to the next Delegate Assembly.

Rationale:

The NEA-Alaska/Retired Board found themselves with less than a full delegation at DA 2015. Originally, we had our allotted number of nominees and, therefore, did not need to vote. All were declared elected. However, some of those elected could not attend and we had no way to secure alternates. By eliminating the second sentence, we will always have an online vote, which would allow for write-ins.



Retired delegation with Byron Mallott

Do We Have Your Current Email Address?

As you know, we do so much now with our computers. We must have your current email address in order to effectively communicate. The last election for Representative Assembly and NEA-Alaska Board of Directors was done online with reminders sent by Ron Fuhrer. Only 98 people voted, representing 5.95% of our members. The proposed bylaws change will also be done online.

We want to insure that everyone who is eligible has an opportunity to exercise her/his right to vote as well as receive all of our communications. Please send current email addresses to: susie.smythe@neaalaska.org

Susie will then update our records. You may also include any changes to phone numbers or home addresses as well.

Do you have friends who are not receiving newsletters or emails? Please have them contact Susie as well.

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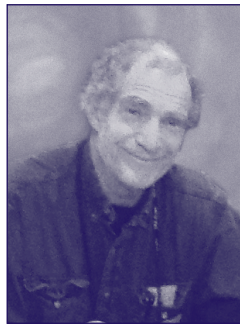
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President's Message

aka Kronberg's Corner



The NEA-Alaska/Retired delegation had another successful Delegate Assembly. Members of our delegation chaired committees, introduced and passed New Business Items aimed at addressing problems with AlaskaCare, and worked with many delegates from other regions on issues of importance to them. In particular, members of our delegation worked to assist delegates in Tier III of the Teachers Retirement System (TRS) and Tier IV of the Public Employees Retirement System (PERS) on ways to address the major problems created

by Defined Contribution pensions.

I had the honor of chairing the Governance Committee. Most of our efforts were spent working on significant changes to the policies of NEA-Alaska's Political Action Committee on Education - PACE. The biggest change significantly reduced the size of the committee, making it possible for more face-to-face meetings instead of telephone meetings. Other changes put greater emphasis on NEA-Alaska PACE involvement in local efforts to elect candidates and to establish positive relationships with more candidates of both major parties.

The Retirement Committee, chaired by our own Gayle Harbo, moved forward several items proposed by the NEA-Alaska/Retired Health Benefits Committee. The Delegate Assembly subsequently passed these items. I will briefly note the subjects of these NBIs, while Rod McCoy, Chairperson of our Health Benefits Committee will provide more detail on the specific issues.

One of the newly passed NBIs would recreate the TRS and PERS Boards in order to fairly handle appeals of Aetna's determinations on our claims. A second NBI put forward by our Health Benefits Committee will prevent an insurer from reimbursing at the out-of-network rate when there is an inadequate number of in-network providers accessible to our members or their dependents. The Delegate Assembly also adopted the third New Business Item our Health Committee proposed. This NBI will prevent the surprises we get when we go to an in-network hospital to have a procedure done by an in-network doctor and still find ourselves with exorbitant bills because others involved in the procedure are not in Aetna's network.

On Saturday morning our delegates were visited by Lieutenant Governor Mallott. He made a few brief remarks and joined in our discussion of ways to improve the performance of Aetna as it administers AlaskaCare for the Department of Administration. The lieutenant governor assured us that as the husband of a retired Alaskan teacher he was well aware of the issues involved with AlaskaCare. He went on to say that both he and Governor Walker were committed to making sure that AlaskaCare was well-administered by the Department and that Aetna would be held accountable to fulfill its commitment to retired public employees. That afternoon, the delegates were addressed by Senator Lisa Murkowski. One of the delegates asked her what could be done

Editor: Barbara Stek

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.

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to make Alaska the attractive place it was for high quality teachers in the not so distant past. Her response, in addition to focusing on educational issues, addressed the way that many Alaskan public employees were being penalized by the GPO and WEP provisions of the Social Security law. She committed to the delegates that she would, once again, work to either repeal these provisions or ease their impact on retirees in all the states where earned social security benefits are significantly reduced by the GPO/WEP. Her comments were welcomed by the delegates. If you are interested in participating in the 2016 Delegate Assembly, please look for the nomination forms in your summer NEA-Alaska Retired newsletter. Take a few moments to complete the form and mail or e-mail it to NEA-Alaska. If you are elected as a delegate you will find it a rewarding experience.

— *Rich Kronberg*

Election Results

Susan Stitham and Gayle Harbo were reelected as your retired representatives on the NEA-Alaska Board of Directors. Your delegates at this summer's Representative Assembly are Susan Stitham and Bill Bjork. Congratulations!!

News Flash!

Rod McCoy, Health Committee Chair, learned of the following number which is a direct line for information regarding AlaskaCare pharmacy online prescription orders: 1-888-800-5979, access code 15009.

Alaska Retirement Management Board Update



The Alaska Retirement Management Board met February 11, 12, and 13 in Juneau, Alaska. Two committee, Audit and Legislative, meetings were held on Wednesday afternoon. An update of employer audits was given and concern was expressed by members of the committee about employers who fail to report and fund employees who should be in PERS. The committee will continue to monitor this lack of reporting. At the Legislative meeting,

trustee Kris Erchinger gave a very complete report on the effect of the 2014 legislation which extended the amortization period and, therefore, the time by 9 years, that employers will continue to make contributions to DB plans. **CIO Gary Bader gave an encouraging report regarding the liquidity of the funds; they are in good shape until at least 2040.**

Currently the 159 PERS employers provide service to 3 tiers of DB members in 3 categories, retirees, terminated, and active, totaling 68,984 members and 1 DC tier also with 3 categories totaling 24, 430 total members. More than 60% of PERS employees work for the state.

TRS employers number 58 and provide service to 2 tiers of DB members in the same 3 categories, totaling 21,176 members and 1 DC tier with 5983 members in 2 categories, active and terminated.

Assets under management in 18 plans total just over \$28 billion and each year the assets managed "in house" have been increasing. Two new investment officer positions are in the 2015 FY budget. Managing assists by the Department of Revenue team, under the leadership of CIO Gary Bader, save significant dollars in management fees. For the 20 year period ending FY'14, annualized returns for the funds have been just over 8%; for the 5 year period ending FY'14 annualized returns have been about 12.6%.

The third installment of the 3 billion dollars, approved by the legislature in 2014 to go to the PERS and TRS DB plans, will be paid into the funds in March. As of February 10, 2015, the first 2 billion dollars had \$10.6 million in investment earnings. The ARM Board is grateful to Governor Parnell and the legislature who last year approved this transfer.

For the first two quarters of this fiscal year, 839 DC PERS employees and 169 DC TRS employees have received full disbursement of their retirement funds, totaling over 21 million dollars, and have gone elsewhere to work.

In board action, the trustees approved changes to investment guidelines for Absolute Return and for the Equity Yield portfolio which is managed in-house.

The two new commissioners, Randy Hoffbeck, Commissioner of Revenue, and Sheldon Fisher, Commissioner of Administration, attended their first ARM Board meeting as trustees. Chair Gail Schubert appointed a new committee, the Actuarial Committee, composed of the current members of the Real Assets Committee. The ARM Board will hold its next meeting in Anchorage, April 22 -24.

— *Gayle Harbo*

Health Care Update

At Delegate Assembly (DA) in Anchorage, we again made it clear to the active NEA members present that our efforts to maintain the constitutionally protected retirement is not only for our benefit, but also for all future retirees. Even though there are now multiple tier levels, state regard for and protection of services for retirees will be important for all. We have plenty of work to do. Recently a member reported following procedure and being denied coverage initially and then denied again at both of Aetna's step one and step two appeal processes. We believe the member's coverage decisions were being made using the wrong plan booklet from a corporation outside Alaska. After two levels of appeals, Aetna could not even find such a simple mistake as not using the AlaskaCare plan. **If you have had negative experiences with Aetna, Moda, representatives of the Department of Administration, or the Division of Retirement and Benefits over your health insurance, we urge you to report them to your representatives in Juneau and send a copy to me.**

Just to be clear, our members who are on Medicare, like myself, are experiencing fewer problems with Aetna. Medicare is the primary and Aetna almost always simply follows the lead of the primary insurance. Most of the

problems occur for people not on Medicare that have to rely on Aetna to make correct interpretations of the AlaskaCare Plan.

Once again, if you have trouble with Aetna or Moda, please take the time to keep your State House and State Senate Representatives informed about the problem. Please send me a copy (rodmc coy123@gmail.com) as we are collecting this information to formulate and demand solutions. We have some legislators, such as Representative Owens from Kenai and Senator Gardner from Anchorage, who understand these issues well. Keep educating!

We continue to coordinate with RPEA and AFSCME. We, representatives from each organization, are attempting to arrange a meeting with Lieutenant Governor Byron Mallott as a follow up to his presentation at Delegate Assembly. We will further explain the problems members have encountered this past year and what needs to be done to fix these problems. We are of the belief that Lieutenant Governor Mallott will have the time and interest to lead the administration to make the changes that we need.

— Rod McCoy, Health Committee Chair

NEA-Alaska Board of Directors Meeting January 14-15, 2015

The NEA-Alaska Board of Directors met before the start of Delegate Assembly 2015. The board made recommendations about and took action on the following:

- Move to affiliate the certified staff from Hyدابurg, Alaska as of January 1, 2014.
- Approved a resolution supporting the Center for Alaska Education Policy Research (CAEPR). This is a group designed to identify and address the most important educational policy issues facing Alaska.
- Moved to file and accept the NEA-Alaska audit for the fiscal year 2013-2014.
- Dennis McMillian, President and CEO of the Foraker group, presented the book *Focus on Sustainability* that discusses strategic decision-making to move the organization.
- Approved seating DA delegates and alternates.
- Rhonda Kitter presented an update on the Public Education Health Trust.

— Respectfully submitted by Region R Directors,
Nancy Allen, Gayle Harbo, Susan Stitham



Nancy, Gayle, and Susan

Cruisin' On The River

One of Alaska's main sources of tourism dollars is the cruise ship industry – big ships with two to three thousand passengers and lots of port tours provide employment and bring millions of dollars to many of Alaska's cities. In Europe, river cruises by many different companies provide a more personal experience. River cruises are more costly on a daily basis but they offer different opportunities than large cruise ships.

We have taken three river cruises, two on the Danube, west from Budapest on a Christmas Market cruise and east from Budapest as far as Romania. The third cruise called Waterway of the Tsars was 13 days from Moscow to St. Petersburg. Rather than give you all the details, I will just point out the differences and why it is difficult to compare costs.

Our first river cruise was the Christmas Market tour and we choose the least expensive cabin which meant we were on the lowest of the three decks and looked out our cabin window at just above water level. The cabin was a nice size with a bathroom larger than on big cruise ships. On the other two cruises we chose rooms with verandas on the second deck. Bottled water was provided daily and each room had a safe, a TV, and adequate storage.

The ships have about 200 passengers and 100 crew so all passengers dine together at set times. Most people wore comfortable shirts and sweaters and jeans or casual slacks. The food was good, with a separate set of entrees offered every day if you did not like the daily menu. Complimentary beer and wine was offered at both lunch and dinner and a full bar was available if you preferred to

purchase other drinks. An espresso machine and Internet service were available and complimentary all day.

On river cruises there is usually a daily tour, sometimes two, included in the price. The tour guides are very good and each passenger has a listening box with ear buds so you can hear the guide in a crowd. There are also optional tours offered, usually at night or in the afternoon, offered at a cost. Comfortable buses are used and in large, busy cities they drop the group off and then pick them up at a specific time and location. The Russian cruise ship had three Russian guides who were with the ship at all times. Each guide worked with two buses. They were helpful, experienced, and lots of fun and were in addition to the local guides on each bus.

We enjoyed the opportunity to drive into the countryside, meet local people, and visit in homes and schools. It made it very personal. There is usually a great deal of walking involved, but people could choose to wait on the bus. Often there was free time in the afternoon to go back ashore and walk through the towns and cities. There are no big fancy shows or casinos on board but often lectures on local culture and small groups from the current port come aboard to sing or perform. On the Russian tour, we spent 4 nights on the ship in Moscow and 4 nights in St. Petersburg - each day we took the buses out for a tour or a performance. The other 5 days of the cruise traveled the 80 mile Moscow canal to the Volga and then on to the Volga-Baltic waterway. It was a wonderful, comfortable, and rewarding experience. Try it sometime!!!

— *Gayle Harbo*



NEA-Alaska/Retired

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Please be sure to study the proposed bylaw change in this newsletter.

Heads Up!

You may have heard this before, but it bears repeating. Do not carry your Medicare card unless you are going to a planned hospital or doctor visit. You will still be able to receive emergency treatment without it. If this makes you nervous, photocopy your card, remove several digits from your Social Security number, and carry that. The only other time you would need the original is if you were going to a Social Security office.

NEA Membership Benefits

NEA-Retired Lifetime has access to almost every benefit. There are credit card and savings programs. Personal loans are also available. Discounts also abound. There is an auto buying program plus vehicle protection plans. There are four identity theft protection plans which start at \$19.95/year. The hearing care program offers special discounts for you and your family. There are so many plans and programs – too numerous to mention all of them here. Do go online at neamb.com or phone 1-800-637-4636 for more information. Who knows what you will learn – or save!



Calendar of Events

March

- 2 Read Across America Day
- 3-8 NEA ESP Conference
- 8 Spring Ahead!!
- 23-24 Board of Directors Meeting
- 30 Seward's Day

April

- 19 Legislative Session Ends
- 24-26 Spring Conference

May

- 5 National Teacher Appreciation Day
- 25 Memorial Day

June

- 28-29 NEA Retired Annual Meeting

June/July

- 30-July 9 NEA-Alaska Offices closed

July

- 1-6 NEA RA Orlando, Florida