

NEA-Alaska/Retired

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Pension Funds Receive a Welcome Contribution



In December, 2013, Governor Sean Parnell proposed taking \$3 billion from the Constitutional Budget Reserve to pay down the \$12 billion shortfall, known as the unfunded liability. In April the legislature complied with the request, passing the committee substitute for SB 285. Passage required a 75% “yes” vote to take money from the CBR and, in FY’15, deposit \$1 billion in the PERS defined benefit account and \$2 billion in the TRS defined benefit account.

The legislation also provides that the state will annually contribute \$500 million, each year from FY’16 to FY’36, to the TRS and PERS pension funds. While this will continue payments several years longer than the current method, it will save the state over \$74 million next year and even more in succeeding years. The reason for the savings is that the current method requires the state to pick up the difference in the employer contribution rate between the amount set in statute, 22% for PERS employers and 12.56% for TRS employers, and the amount recommended by the actuary. The actuary is recommending this year that the Alaska Retirement Management Board adopt contribution rates for FY’16 of 40.28% for PERS and 69.2% for TRS. This would call for escalating payments over the next 15 years to amounts exceeding \$1 billion annually. This new legislation provides a stable annual amount and, therefore, certainty to the state’s budget process. It will, however, require a longer time period for municipalities to contribute to the pension funds.

The Governor and legislators are to be commended for their action and deserve our thanks. It will be the responsibility of the ARM Board trustees, as fiduciaries, and the Department of Revenue CIO, Gary Bader, and his investment team to carefully invest this \$3 billion using the asset allocation structure adopted by the Board at the April meeting in Anchorage. The allocation for FY’15 will be 51% to domestic and global equities, 17% to real assets, 12% to fixed income, 9% to private equity, and the remaining allocations to absolute return, alternative equities, and cash.

CIO Bader provided the ARM Board with good news recently stating that the fund performance for FY’14 up to March 31 was 14.2% versus a target return of 12.85%. This placed the state’s pension funds in the top 10% of all public funds. The earnings assumption rate for the funds is 8% annually.

In other action at the April meeting, the Board renewed the contract of the real estate consultant and postponed the award of a contract for the general

investment consultant until the June meeting. The contract of one of the three Investment Advisory Council members, Dr. Bill Jennings, a professor at the Air Force Academy, was extended for three years. A comprehensive investment policy and procedures manual has been developed and will be proposed for adoption at the next meeting, June 26-27, in Anchorage. The public is welcome to attend and the agenda is published on the state’s website.

— *Gayle Harbo*

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President's Message**aka Bob's Blurb**

The past six years have been a bit challenging while monitoring the three changes in AlaskaCare's third-party administrator, advocating for members who have been negatively impacted by these changes, maintaining legislative contacts when needed, and facilitating the retired board meetings and the caucus meetings at Delegate Assembly. All have been a challenge but what a wonderful retiree group to work with as we strive to represent our members.

The level of member involvement has increased over these past six years. More members are becoming advocates for our rights and benefits. Our communications team has worked to upgrade our newsletter, develop a retired web page, establish a Facebook group, update our member contact list (including emails), and is currently updating our brochures and logo. These folks also promote membership recruitment through all of these activities.

Our Health Committee has been diligent in gathering information to become better advocates for the protection of our AlaskaCare benefits. We have been attending health care conferences, maintaining the ongoing health committee agenda, working to build a coalition with the Retired Public Employees Association's medical committee, and working with NEA-Alaska's general counsel to address the impact of the recent amendments to our AlaskaCare plan.

We need to strengthen our member involvement activities. The political climate continues to attack unions, union rights, and retirees. Every action against NEA, NEA-Retired, and NEA-Alaska impacts us. As our national and state association resources get stretched thin while working to protect us, we need to become even stronger as a retired organization. A huge thank you to members and staff who are working for all of us.

This is my last "Bob's Blurb" as president of NEA-Alaska/Retired. Richard Kronberg will take the reins as our president on July 7. Rich has a strong background in union activities and advocacy through his time as president of the Anchorage Education Association and NEA-Alaska. His commitment to our members is sincere. Rich will need our support and involvement as he works to represent all of us.

I will continue to support Rich by maintaining involvement as the NEA-Alaska/Retired vice-president. Our committee chairs and committee members will continue to serve. When we ask for your additional support, I hope you will step-up and help. Together we can and will make a difference!

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.

Kudos!!

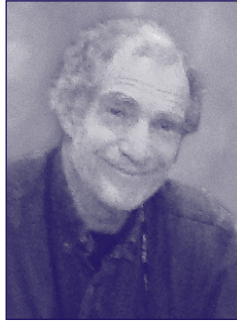
It is with many thanks for an excellent job over these past years that we bid a fond farewell to our NEA-Alaska/Retired President, Bob Deitrick. Luckily we will still have Bob's expertise as our new vice-president/treasurer. That leads me to another huge thank-you to Gayle Harbo for her years as our vice-president/treasurer, carefully minding the dues dollars in our fund accounts. Gayle, however, will still be very active as she continues to serve on the ARM Board and on the NEA-Alaska Board of Directors.

Health Care Advance Directives

A necessary part of estate and "end of life" planning is the completion of a health care directive. Forms vary from state to state, but the form for Alaska may be found in the Alaska Statutes, AS 13.52.300. It is a 12 page, 5 part form, that a "competent" person may revoke or replace at any time. It includes the designation of an agent to make health care decisions for you. The form, to be valid, must be signed by two qualified adult witnesses or by a notary public in the state. It is important to notify next of kin or a trustee of your estate where this document is located. Any adult person should complete this directive.

— Gayle Harbo

A Message from the Incoming President



Before I say anything else, I would like to thank Bob Deitrick for his stellar work as president of NEA-Alaska/Retired. He has done an amazing job on our behalf. Fortunately, Bob will continue working for all of us as our vice-president. I also want to express my personal thanks to the members who are active on our special committees: Health Insurance and Membership and Communications. The work they have done has been excellent, and I am confident it will continue to be so.

During the last week of March I had the opportunity to attend the 2014 NEA Retired Organizing Conference along with President Deitrick and our NEA-Alaska staff liaison, Keri Clark. I have attended many NEA conferences over the past three decades, but I have never attended one with such a sense of urgency. The attacks being made on public education and public educators, including those attacks on retired public educators, are being replicated all across the country.

The key to moving forward is the same as it has always been - an engaged and energized membership. The Alaska Department of Administration did not withdraw the AlaskaCare draft plan and extend the comment period out of concern for the health care of retirees. They did those things because they were inundated with messages from retirees who were concerned and angry about the changes being proposed. In a similar vein, those state legislators who first resisted and then voted for the governor's proposal to pay down several billion dollars worth of retirement system indebtedness in both PERS and TRS did so because of the pressure they were under from a variety of sources, most especially from retired public employees.

If we fail to organize and act collectively we are likely to see our pensions cut...just as they have been in Illinois, a solidly Blue State with strong public sector unions. The current changes to AlaskaCare may well be just the opening salvo in a new attempt to further weaken the integrity of our retirement benefits as part of an effort to make public school educators appear to be greedy and only out for ourselves. The state administration may say they are only trying to protect public school funding by "slightly trimming" the money they spend on retiree health care in order to control costs. This notion may be laughable to those of us who are well informed, but it could resonate with the public. It is critical that we stay informed and continue to inform others about what is really going on.

NEA-Alaska has a strong history of support for public education and school educators, including retirees. We can expect the struggles to protect public education and public school educators to increase as more and more individuals and groups see opportunities to enrich themselves by taking money from public schools and putting it into their own pockets. The attack on retiree pensions and health benefits is one part of this larger struggle over the control of hundreds of billions of dollars spent on public education in our country. The future of public education depends on the outcome of this struggle. Our most effective weapons continue to be collective action and our votes.

— Rich Kronberg

Financial Fitness – Plan Ahead

For a single or multiple person household, day to day responsibilities are taken for granted and we do not always foresee how the information we store in our brains may be needed by others, if for some unfortunate reason, we may not be able to communicate. In this day of user identifications and passwords for various accounts, it is a good idea to make a checklist of necessary information to share with a spouse, guardian, or trustee of your estate.

Here is a short list to get you started. It may trigger other considerations particular to your situation:

- Overview of basic monthly bills and methods of payment
- Location of checking, savings, and brokerage accounts and safe deposit box
- Account numbers and passwords; passwords for billing statements
- Email accounts and passwords
- Overview of your filing system
- Location of insurance policies (health, auto, home, life)/ declaration pages and cards
- Location of estate planning documents/trustee names/health care directive

This is just a start. If you have valuable collections – art, jewelry, dishes – you may also want to indicate what is important. Don't put this off – PLAN AHEAD!

— *Gayle Harbo*

Health Committee Report

NEA-Alaska/Retired and the Retired Public Employees Association (RPEA) are working for you on this year's State changes to our health plan. Insurance issues are complex and experts have been hired for both legal and plan analysis. Some of those efforts are explained here. We expect additional insurance changes when the new plan book is published.

1. Has our insurance been diminished to the extent that the courts would likely throw out the recent changes? Our plan is constitutionally protected; they can make changes, but in the end the value must be the same.
2. The State, in 2013, put out a document for firms like Blue Cross to bid for the administration of our insurance plan. Then, after they gave the bid to Aetna, they sat down with them and changed the requirements in the bid. Are these after bid changes legal?
3. Can the State make the extensive changes to the optional dental plan without regard to the benefit value the plan had traditionally provided? The state pays no money for the plan. It is all covered by our payments. Should members have greater control of the plan?

We are particularly interested if you find you are not covered or have less coverage for a medical benefit. Send us as much documentation as you can, such as the previous EOB (explanation of benefits) from AlaskaCare prior to January 1, 2014, with Aetna. Send this private information to Keri Clark's email: keri.clark@neaalaska.org or mail to the office, attention Keri Clark, at 4100 Spenard Road, Anchorage, AK, 99517. Keri is our NEA-Alaska staff liaison.

Aetna at first thought my wife got new hearing aids, not me. When you discover such errors send them to Keri or the office. We are reporting such errors to the state so they are well informed about problems some have had with Aetna. Speaking of EOBs, Aetna must have had a committee of high priced lawyers write the EOB form they use. I hope they are not trying to save money by confusing old folks, speaking of people older than you, of course. One of their agents even acknowledged to me that their EOBs are needlessly confusing.

Here are some things that may be helpful. If you want to talk with the pharmacy, select the number that says, "If your call has nothing to do with your prescription order." The person you get works with prescription orders. Also to avoid all of the automated questions you get, just answer with "agent please." If you work with someone who seems confused, back out of the conversation and try calling again to get a different agent. When I call and work with an agent who serves me well, I tell the person and ask if I can report the good work to the supervisor. I understand the supervisor then shares with staff the success of the agent. It is to our advantage to support their efforts to build staff that serve us well.

The new monthly charge for those of you with the optional Dental, Vision, and Auditory coverage (DVA) is reduced by about \$7 a month for each member covered. This reduction has been long due since there was an \$18 million surplus showing they were over charging even before recent dental plan cuts.

New information for the optional long term care plans will be out this summer. People who have purchased this option should get this in the mail in about a month.

— *Rod McCoy, Chair*

Chena Hot Springs — A World Class Destination

A recent opportunity provided by Explore Fairbanks, a non-profit designed to provide event planners with venues for meetings and event coordination in the Fairbanks area, gave several organizations a comprehensive introduction to Chena Hot Springs Resort, 60 easy miles from downtown Fairbanks.

Chena Hot Springs has been a destination for Alaskans for more than 100 years, but the facilities have greatly improved from the rustic cabins and small lodge in the '70s to a *Top Ten Winter Destinations* for both National Geographic and Lonely Planet. During the months from November to late March, chartered flights from Japan bring thousands of tourists to Fairbanks and Chena Hot Springs to view the Northern Lights in pristine conditions.

Chena Hot Springs provides three types of resort rooms, including family suites. They have 11 meeting rooms, varying in size from 400-4000 sq. ft. The most recent addition, the Activitorium, has space for large banquets and an indoor Aurora viewing room. An indication of the many

Asian visitors are the signs posted in Japanese. A small café and espresso bar and a restaurant in the main lodge provide good meals. Fresh lettuce and tomatoes and various other produce are used year round. The Chena Fresh Greenhouses are heated by geothermal water. In addition to the vegetables and salad greens, the greenhouses are used to grow all the flowers which decorate the grounds from May to October.

The Aurora Ice Museum (parkas are provided) is like a giant igloo and features ice carvings, an ice altar (for chilly weddings!), and a bar where you can have an appletini in a glass goblet. Of course, one of the main attractions, greatly improved with new changing rooms, is the hot springs indoor pool and outdoor rock lake. This facility has been a part of the resort for a long time, but it has been upgraded considerably since the '80s.

So, the next time you are venturing out in our great state, consider a visit to Fairbanks and Chena Hot Springs.

— Gayle Harbo

Logo Contest NEA-Alaska/Retired

NEA-Alaska/Retired is looking for a new visual identity and needs your help. Are you one of our retired or pre-retired members who can design a creative and professional logo? The logo should identify who we are and promote our organization. The rest is up to you!

Our new logo will be used online, in print (large and small), and on merchandise. Flexibility is a key requirement, including the need to resize easily and to look great in color as well as black/white. The final version of the logo will need to be suitable for high quality printing. Please read below for contest details.

Eligibility: You must be an NEA-Alaska/Retired or Pre-Retired member.

We Need Your Ideas!

How to Enter: The deadline for entry is Aug. 15, 2014.

- **Email** your logo design to: klggal@gmail.com or **mail** hard copies to: **Karla Gallagher, HC 89 Box 1615, Willow, AK 99688**
- Please include the following information in your submission: Name, Address, Phone number, and Email address

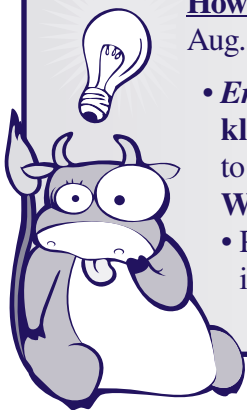
- Entry must have a separate file for the logo and text along with a file for the final composition.
- Entries will be acknowledged within a week of receipt.

Submission Requirements: When using email to submit an entry, the limit on attachment sizes is 5MB total. If your submission(s) exceeds this size, even after compression, please split into separate files and note clearly in your emails that you are doing so, along with directions to help piece together the actual appearance.

Entries must be submitted in final, camera ready form, with little to no touch up needed – clean and clear – cut designs will work best. Any colors used must be capable of being reproduced in grayscale/black and white. Entries are preferred as a scalable vector graphic in EPS or PDF format, although JPEG, TIFF, PNG, or BMP formats may also be used.

Now, if you are not into graphic design, DO NOT feel intimidated. If submitting a hard copy sketch, please create a large design on 8 ½" x 11" white paper using bright, intense colors. Markers would work, as well as paints.

Prize: The winner will receive a \$100 VISA card. We will announce the winner and debut our new logo on our website and Facebook page and in our fall newsletter.



25 Years at the Finish Line

This year I made my 25th trip to Nome, Alaska, to watch the finish of the Iditarod Sled Dog Race. My first trip was in 1990. I had always wanted to see the finish, as I had watched all the starts here in Anchorage, but I was teaching school and could not take the time off.

Then in 1990, the Anchorage School District scheduled its first “Spring Break.” It was also a break for me, as it fell on the week of the Iditarod finish. I jumped at the chance to go north. In future years, spring break always fell during that same week, so I kept going. Needless to say, I absolutely LOVE my time in Nome, and hope to continue going as long as I can.

My interest in the Iditarod back in 1973 was as a stamp collector. I had some mail carried by one of the trail breakers. After that, a musher carried my covers in each race. In 1975, and each year thereafter, each musher carried a packet of “Official Trail Mail” as the Iditarod Trail was a mail route in the early years. The mail the mushers carry is stamped and cancelled here in Anchorage at the start of the race, and then cancelled again in Nome when the musher arrives. The person in charge of this project is Leo Rasmussen. He recruited me to help stamp and cancel the mail. Now that is my job each year. I am a volunteer for the Iditarod and work on that project.

Over the past 25 years, I have hand-cancelled over 100,000 envelopes relating to the Iditarod Race. Besides the “official mail” the mushers carry, some carry their own mail which I cancel. Additionally, I have my own covers which I have done each year. Visitors buy cards to send home to family and friends and I also cancel those. So you see, I keep pretty busy while I am there. But that doesn’t keep me from watching the mushers arrive at the finish line. I try to see as many as I can each year, whether or not it is during the day or at two in the morning.

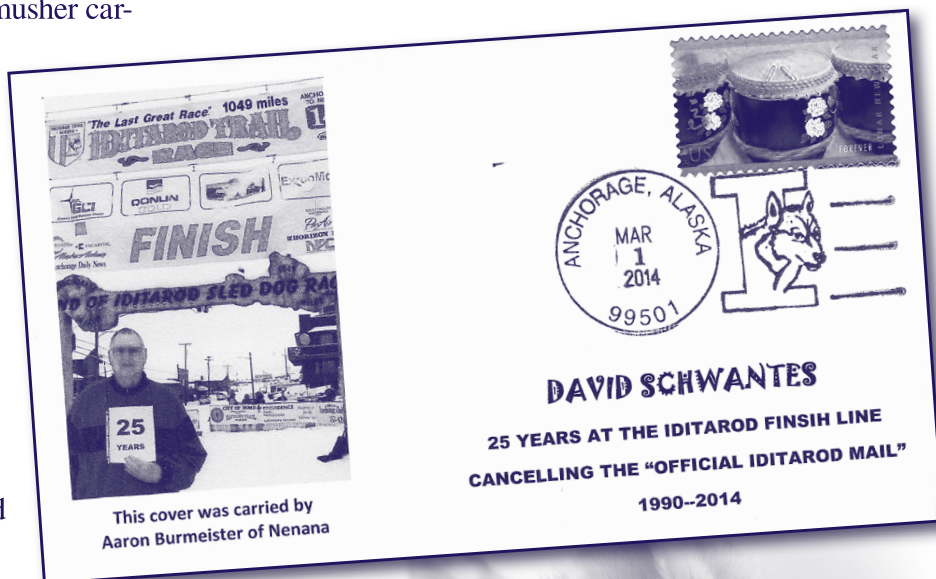
Being a part of the “Iditarod Family” is exciting! I have met so many great people over the years - Joe Redington, Susan Butcher, Norman Vaughn, DeeDee Jonrowe, Martin Buser, Jeff King, Aaron Burmeister, John Baker, the Seaveys - Dan, Mitch, and Dallas, the Mackeys - Dick, Rick and Lance, Libby Riddles, and one of my favorites, Rick Swenson. I have also met so many other volunteers, Iditarod staff members, and wonderful people from Nome.

Many of them say “Welcome Home” when they see me each year.

Many years ago, I said that the Iditarod Race was the most important event that happens in Alaska each year. I still believe this is true. Thousands and thousands of people follow the race each year, including many school children. Teachers around the world have built whole programs around the race. With the Internet and the GPS the mushers carry, they can follow each musher.

The Iditarod continues to grow each year. I am sure Joe and Vi Redington are looking down from above with big smiles on their faces. This year was the 42nd running of the race. I just turned seventy-three and will be eighty at the fiftieth running of the race. I hope to be there at the finish line!

— David Schwantes





DELEGATE ASSEMBLY NOMINATION FORM

Name: _____

Candidate Biography: (Limit: 25 Words)

Mailing Address: _____

City/State/Zip: _____

Email: _____

Phone: _____

Emailed nominations must be received **no later than September 4, 2014**. If you mail the form, it must be received in the Anchorage office (at the address below) postmarked **no later than September 1, 2014**. **Return form to: NEA-Alaska/Retired, 4100 Spenard Road, Anchorage, AK 99517.**

Delegate Assembly 2015 Nominations

To be nominated for Delegate Assembly, **January 15-17, 2015**, please complete this form and include a brief biography. Delegates must attend each caucus meeting and all sessions to receive **up to \$30 per diem for each of the three days**. NEA-Alaska/Retired reimburses delegates **up to half the cost of a hotel room for a maximum of three nights**. NEA-Alaska will reimburse airfare costs (up to \$500 for out-of-state transportation) based on bargain/value airfare.

An on-line election will be held if the number of nominees exceeds our budgeted delegate funding. You will be notified of the results in November. The nominations for elected office as well as nominations for two-year appointments to the NEA-Alaska PACE Committee will be made during the caucus at DA.

To submit your nomination by email, send it to Susie.smythe@neaalaska.org. Be sure to include DA 2015 Retired Nomination in the subject line, along with the information asked for on the form. Emailed nominations must be received **no later than September 4, 2014**. If you mail the form, it must be received in the Anchorage office (at the address below) postmarked **no later than September 1, 2014**.

**Return form to: NEA-Alaska/Retired
4100 Spenard Road
Anchorage, AK 99517**



NEA-Alaska/Retired

4100 Spenard Road
Anchorage, AK 99517
www.neaalaska.org or
email: info@neaalaska.org

Look inside for information on our logo contest!

The Fight Continues

“Educators, firefighters, police officers, librarians, nurses, and other public employees already contribute up to ten percent of their salary towards their pensions, and many do not even get Social Security. Despite this, the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) penalize people who have dedicated their lives to public education and other public service careers by taking away benefits they have EARNED.

Luckily, Democrats and Republicans in both the Senate and House of Representatives are working together to address these troubling provisions. The Social Security Fairness Act of 2013 has been introduced in the House of Representatives by Reps. Rodney Davis (R-IL) and Adam Schiff (D-CA) as HR 1795. On the Senate side, Sens. Mark Begich (D-AK), Dean Heller (R-NV), Susan Collins (R-ME) and Elizabeth Warren (D-MA) have introduced the same bill as S 896.”

— *Timothy Reed, NEA*

Did you know...

Michaels Stores are now offering a 10% discount every day when you show your AARP membership card. To check on other discounts, go to: www.aarpdiscounts.com.

Calendar of Events

July

- 1-10 NEA-Alaska offices closed
- 1-6 NEA-RA – Denver, CO
Ongoing – Logo Design Contest

August

- 15 Logo Contest Deadline

September

- 1 US Mail Deadline for DA Nominations
- 4 Email Deadline for DA Nominations
- 12-14 NEA-Alaska Board of Directors Meeting

October

- 17-19 Fall Event