

# NEA-Alaska/Retired

Summer 2016 • Volume XXV No. 3

## Cruisin'

I was able to complete my second trip through the Panama Canal this past April. We set out from Los Angeles for the 15-day cruise. We had a few days at sea which gave us time to just enjoy the ship and its many offerings. My friend, a retired teacher from Florida, was on deck for line dancing while I relaxed by the pool.



Our first port stop was Cabo where we wandered around and shopped. After a few more days at sea, we stopped in San Juan del Sur, Nicaragua. We took a tour of the area and stopped at Lake Nicaragua, the largest lake in Central America. This lake drains into the Caribbean and at one point in history Cornelius Vanderbilt had a company which worked to connect the lake to the Pacific Ocean. Years ago, it was hoped that the Nicaragua Canal would be built, but instead, we have the Panama Canal.

The next stop was Puntarenas, Costa Rica, where I took "my life in my hands" and went zip lining! Costa Rica is supposed to be the birthplace of zip lining and our company was very professional and well-practiced. It was an amazing experience although I believe I maintained a healthy level of fear until I was back on solid ground after the 11th zip line.

Then we arrived at the Panama Canal. It does take the better part of the day to make the trip. We rose early, 5:45 am, and went up to deck 15 to watch the process for about three hours. By then we had gone through almost two locks. To have a reserved slot time at the canal increases the cost which can be above \$300,000.

Cartagena, Columbia was our next port. This is the home of gorgeous emeralds and delicious smelling coffee. We toured the old town with its protective walls. Many street vendors showed their wares among which were some beautiful lace tablecloths.

We had a nice stop at Aruba which is such a colorful city with its pastel painted buildings and homes. Again, it was another shopper's paradise.

We arrived in Fort Lauderdale after

a few more days at sea. We were not bothered by the Zika mosquito although I faithfully carried my bug spray. My only issue was the heat – my Alaskan body is too used to cooler temps. The ship offers so many varied activities that you could be doing something every hour of every day. There were great stage shows and variety acts and dancing and dining. "Movies under the Stars" complete with popcorn is another choice for entertainment. It would be very easy to do this trip again!

– Barbara Stek



## In This Issue

Cruisin' .....	1
Calendar of Events .....	1
President's Message .....	2
Alaska Retirement Management Board .....	3
Health Benefits Team .....	4
NEA Retired Annual Organizing Conference ...	4
Medicare Enrollment for Alaska Care Retirees ..	5
NEA-Alaska Board of Directors Meeting .....	5
Delegate Assembly 2017 Nomination .....	6

## Calendar of Events

### July

1-10 NEA-Alaska Summer Office Closure

2-7 NEA Representative Assembly

### September

9-10 NEA-Alaska Board of Directors Meeting

### October

14-16 Fall Event

**NEA-Alaska/Retired Board****President**

Rich Kronberg (2016)  
253-212-1969  
520-907-5285  
nea.ak.retired@gmail.com

**Vice President**

Bob Deitrick (2016)  
PO Box 832 • Skagway, AK 99840  
907-983-2340  
bob.deitrick@gmail.com

**Secretary**

Barbara Stek (2016)  
6101 Eastwood Court • Anchorage, AK 99504  
907-338-2288  
bwstekak@yahoo.com

**Directors-at-Large**

Mary Bohanan (2016)  
9481 Navajo Ridge Drive • Reno, NV 89506  
775-342-0304  
mryboh@yahoo.com

**Rod McCoy (2015)**

7749 Old Harbor Ave. • Anchorage, AK 99504  
907-317-1610  
rodmccoy123@gmail.com

**Kristina Tornqvist (2016)**

9331 East Tern Drive • Palmer, AK 99645  
907-745-2443  
ktornqvist@mtaonline.net

**Region R Directors**

Nancy Allen (2016)  
1288 Rangeview Drive • North Pole, AK 99705  
907-488-3965  
n.allen82@yahoo.com

**Gayle Harbo (2015)**

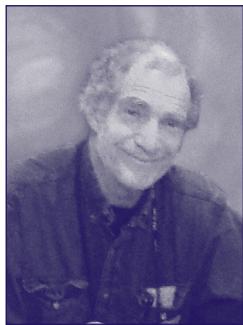
PO Box 10201 • Fairbanks, AK 99710  
907-457-7815  
sjharbo@yahoo.com

**Susan Stitham (2015)**

PO Box 337 • Ashland, OR 97520  
907-347-1218  
omm1961@gmail.com

# President's Message

## aka Kronberg's Corner



Here we are, mid-June 2016, and we have constant reminders that elections have consequences. At the state level we see a series of bad choices made by elected officials in Alaska over many years have come back to harm Alaskans. Despite common knowledge that Alaskan oil is a very finite natural resource, the economy of Alaska is still totally dependent upon the availability and the price of oil. For decades too few Alaskan politicians gave any thought to diversifying the Alaskan economy, and now too many Alaskan politicians act as if cutting the state's operating budget is the best way

to keep Alaska's economy moving forward. Too many Alaskan voters lack a basic understanding of the state's budget and have not grasped that a drastic cut in state spending will turn a temporary downturn into an economic collapse. Alaskans, both voters and elected officials, still act as if the basic feature of "Reaganomics" . . . the "trickle-down theory" . . . actually works. The reality is that while, in theory, tax cuts for corporations and the wealthy may spur economic growth, in reality they rarely do that. Most of the time tax cuts for the wealthy have the opposite effect of pulling more money out of the economy and into offshore banks, or they result in more money for those who own and/or run large corporations and do little to spur economic growth.

Recently, both the Washington Post and New York Times had front-page columns trying to answer the question of why consumer spending is down at a time that fewer Americans are unemployed than any time in recent history and interest rates are still at historic lows. Amazingly, but not surprisingly enough, these columns, one by George W. Bush's chief economic policy advisor, did not mention stagnant wages, the decline of unions, the shrinking of the middle class, or the continued growth of income inequality as the root causes of declines in consumer spending. It is basic Keynesian economics that increased consumer spending is the result of more money in the hands of people who work for a living, regardless of whether they work wearing blue collars or white collars. Putting more money in the hands of the 1% does not drive consumer spending. After all, just how many Ferraris - or yachts - can one rich person own? Sadly, no regular NY Times or Washington Post columnist has framed the issue of consumer spending in terms of the decline in spending power of the middle class or the overall issue of income inequality.

When voters elect candidates who promise to reduce taxes on corporations and the wealthy in hopes that this decline in public revenue will translate into more jobs that pay good wages, they are going against the balance of the empirical results of decades of tax cuts. The money that governments do not get to build and maintain roads, maintain and enhance quality schools, protect us from crime and fires is simply not being used to create jobs. It is being used to create the lifestyle enjoyed by a declining percentage of Americans. When we hear candidates promising to help spur economic growth through lowering of taxes on corporations and the rich, the best and most appropriate response is skepticism. It is a good idea to remember that when the economy expanded in the 1980s it was not due to Reagan's tax cuts

Editor: Barbara Stek

*This newsletter is the official publication of NEA-Alaska/Retired, printed three times a year: October, February, and June. 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” Cont.*

as much as it was due to the biggest increase in spending by the federal government (and the national debt) since World War II.

NEA-Alaska/Retired members ought to learn as much as they can about what each candidate for local, state, and federal office has advocated - or actually done - when faced with a choice between cutting taxes on corporations and the wealthy or adequately funding essential government programs. This year, we are heading towards a presidential campaign that is much more likely to see a record number of insults and personal attacks instead of actual policy proposals. The Alaskan legislature continues to fall back on empty slogans instead of rolling up their sleeves to craft real solutions to the twin issues of declining oil output and the stagnant price of a barrel of oil. It is imperative that we inform ourselves as much as we possibly can about the actual platforms and records of candidates and not rely on campaign slogans to tell us what candidates are likely to do if elected to office. I have never seen a politician run on a platform saying they will prevent public schools from securing adequate resources so all our children can have the opportunity for a great education, but I have seen literally dozens of them use excuse after excuse to put adequate funding for public schools much lower in their list of priorities than huge tax cuts for oil companies, buying buildings to replace offices that are perfectly adequate, or even spending public money in ways that will allow them to personally profit. Regardless of our political affiliation, we have a responsibility to ourselves and to our children and to their children to be informed voters. There is a lot at stake in the 2016 elections.

— Rich Kronberg

## ALASKA RETIREMENT MANAGEMENT BOARD SPRING REPORT – JUNE 2016

The Alaska Retirement Management Board met April 20 - 22 in Anchorage. The Actuarial Committee met all day on the 20th to review the draft valuation report for the period ending June 30, 2015 and to work with both actuaries, Buck and GRS, to reach agreement on areas of concern in the audit findings. Significant gains in the medical assumptions were partially explained by the change in the third party administrator, from Premera to Aetna, but the Committee requested more thorough research regarding the over 1 billion dollar gain. Almost 70% of the Defined Benefit retiree participants in PERS and TRS are over 65 and this may have a significant effect since Medicare becomes the primary insurer and Aetna secondary for those members.

Chair Gail Shubert welcomed the three new members to the Board - Ed Wesley who is the public member not participating in either system, Bob Williams representing TRS, and Rob Johnson representing PERS. Trustee Johnson was elected vice-chair of the Board.

The nine trustees on the Board oversee the investment of almost 30 billion dollars in 14 different trust funds. One of the most important tasks of the Board is adopting an asset allocation that will meet, as near as possible, the adopted return assumption of 8% each fiscal year and will also provide that return with minimum risk. The target allocation for FY'17 reduces the asset classes from eight to five, by combining Domestic and Global equity to Global Equity and combining Private Equity, Absolute Return, and Alternative Equity to one class called Alternatives. Some trustees expressed concern regarding transparency with so many funds lumped under Alternatives, but the decision was made to try it for a year.

Actuaries presented findings for the past year indicating significant reduction to the cost of the plan and therefore an increase in the funding ratio for both PERS and TRS DB. Two factors contributed - the reduction in medical costs and the 3 billion dollars paid by the State in FY'15 from the Constitutional Budget Reserve.

The Administration has released a draft Defined Contribution Health Plan for comment and the first DC members eligible to participate will retire some time after July 1, 2016. Members can retire from the DC plan if they have worked 10 years and reached age 65.

The next meeting of the ARM Board was at the Captain Cook Hotel in Anchorage, June 23 and 24.

— Gayle Harbo

## Health Benefits Team

The state three-year agreement with Aetna expires at the end of this year. However, they have extended the Aetna agreement for at least one more year. The state will likely extend for one more year after that because the law allows a total of five years. After five they are required to have a new bidding process.

Members have complained much more about Aetna than previous providers. I am not saying they do not provide good service at least some, maybe even most, of the time; however, they boast saving the state 50 million dollars a year, while we on the Health Benefits Team believe too much of that has been generated because of errors or because our members simply give up in their attempts to receive their full amount of coverage. We do know their explanation of benefits statements are still confusing. Our requested attempts for a clear accounting measure that would show the source of the savings have been unanswered.

The process creating the new PERS/TRS Committee that will work with the state on health insurance issues is nearly complete. It is now in the Board and Commissioners office for finalization. It will be created by a gubernatorial proclamation. When we get more information, we will, via email, seek members who wish to represent NEA-Alaska/Retired on the new PERS/TRS Committee. If you are interested, make sure your email at the NEA-Alaska office is correct and direct your message to Rich Kronberg or Rod McCoy.

Recently, the PERS and TRS Newsbreak pamphlets contained a refresher on COLA rules. However, a mistake was found.

**“Am I entitled to COLA if I am gone from Alaska for more than 90 days due to illness?**

You may continue to receive COLA for up to 6 months if:

1. You are out of Alaska because of illness, and
2. Your physician certifies your absence is necessary on a form (gen023) provided by the Division.

If your absence exceeds six months, COLA will stop on the first day of the seventh month following the date you left. If your illness began before leaving Alaska, you must make every effort to notify the Division before departing Alaska. Eligibility for COLA under this provision is a one-time exception to the requirements.”

**The last sentence is incorrect** – this provision can be requested more than once. This mistake will be dealt with in the next pamphlet.

**CHCS Services** has been contracted by the State to manage our **Long Term Care Plan** beginning May 2016. Aetna will still be the Third Party Administrator (TPA) for the DVA plan.

NEA-Alaska/Retired and the **Health Benefits Team** continue to monitor concerns and problems encountered by our members with denied claims and

**“Health Benefits Team” Cont.**

coverage issues. Please let us know if you have questions or concerns with your insurance coverage:

**Keri Clark,**  
NEA-Alaska: [keri.clark@nealaska.org](mailto:keri.clark@nealaska.org)  
907-274-0536

– Rod McCoy, Trish Patterson

## REMINDER!!

Please be sure to save all communication information you have when you contact Aetna. The names of those with whom you speak and the dates and times are important for future reference.

## NEA Retired Annual Organizing Conference

Amongst the attendees from across the nation at this spring's NEA Retired Organizing Conference were Alaskans Barbara Stek, Rich Kronberg, Gayle Harbo, and Judy Salo. The Conference held in San Diego this year at the end of March provided participants the opportunity to hear some outstanding keynote speakers such as Harry Keiley, Chair of the CA State Teachers' Retirement System; Dr. Linda Sasser, an expert on memory skills; Shelly Moore Krajacic of the NEA Executive Committee; as well as other leaders and staff who informed and entertained, and



Gayle Harbo and Judy Salo

*"NEA Retired Annual Organizing..." Cont.*

set the stage for the short sessions and workshops for the two days.

The theme of the conference this year was: Unite, Inspire, Lead: Still Doing It. Sectionals were focused on leadership competencies and ways that retired members can work with active members to advocate for the profession and public education. The political outlook as it relates to Social Security, the Affordable Care Act, and other issues affecting both retired and active members of the profession was addressed by several speakers. It was easy to see how pivotal this year's election will be to the future of the profession and our students.

As a result of the conference we are preparing to apply for a Retiree Organizing Grant through NEA. We are also considering offering one or more sectionals at NEA/Alaska events that we found beneficial and that we think would interest other members in Alaska.

*– Judy Salo*



## Medicare Enrollment for AlaskaCare Retirees



Retirees and actives approaching age 65 need to pay attention to the "enrollment periods" for Medicare coverage. For retirees, Alaska Care becomes supplemental to Medicare at age 65. If you do not enroll in Medicare at age 65, you will pay a larger part of your medical bill and you may pay a higher Medicare premium.

There are 3 different enrollment periods, but for most retirees the best is the "Initial Enrollment Period." This has a 7-month window which begins 3 months before your 65th birthday month and ends 3 months after. The other two periods, the Special Enrollment and General Enrollment, will be explained if you call Medicare Information at 800-478-6065, or in Anchorage, 907-269-3680.

You will also be offered Medicare Part D, prescription drug coverage. You are not required to enroll in this plan since the AlaskaCare coverage is the same or better than Part D.

*– Gayle Harbo*

## NEA-Alaska Board of Directors Meeting

April 2, 2016

The spring meeting of the NEA-Alaska Board of Directors was held on April 2 at the NEA-Alaska office building in Anchorage.

The following motions and recommendations were made by the board:

- Made a contribution of \$500 to the National Teachers Hall of Fame.
- Moved to continue to belong to the USEDp program. This program is a monetary program related to the Executive Director compensation package.
- Approved the Uniserv grant application.
- Approved the affiliation of the Nome Education Support Staff Association.
- Approved monetary adjustments for the current 2015-2016 budget.
- Moved to support the proposed legislation on a smoke free work place.
- Moved to accept and file the Elections Policy Violations Review Committee Report.
- Moved to accept and file the Executive Directors Evaluation Form.
- Approved the picture that will appear on the 2017 pocket calendar.
- Susan Stitham is the new representative for Region R on the NEA-Alaska Executive Committee.

The meeting was adjourned at 3:00 pm.

Respectfully submitted by the Region R Directors  
*– Nancy Allen, Gayle Harbo, and Susan Stitham*



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4100 Spenard Road

4100 Spenard Road  
Anchorage, AK 99517

www.nea.alaska.org or  
email: info@nea.alaska.org

**Don't forget to submit your  
Delegate Assembly 2017 nomination form.**

# Delegate Assembly 2017 Nominations

To be nominated for Delegate Assembly, January 12-14, 2017, 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 not to exceed the negotiated NEA-Alaska room rate. 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. You will be notified of the results in November. 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@nealaska.org. Be sure to include DA 2017 Retired Nomination in the subject line, along with the information asked for on the form. Emailed nominations must be received no later than September 5, 2016. Susie will send a confirmation upon receipt of your email. If you mail the form, it must be received in the Anchorage office (at the address below) postmarked no later than September 1, 2016.

# DELEGATE ASSEMBLY NOMINATION FORM

Name: \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**City/State/Zip:**

Email:

**Phone:**

**CANDIDATE BIOGRAPHY: (Limit: 25 words)**

### Return form to:

NEA-Alaska/Retired, 4100 Spenard Rd., Anchorage, AK 99517