

Retired Educators Association of Minnesota



Protecting Pensions. Serving Members.



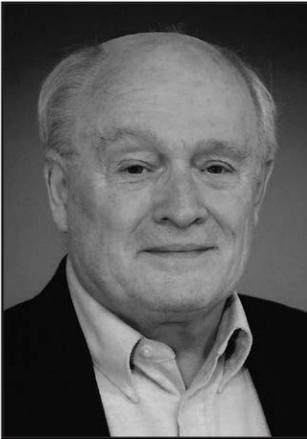
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PRESIDENT'S REPORT

John Fisher, REAM President



John Fisher,
President of REAM

Please take note of Monday's December 14th issue of the Minneapolis Star/Tribune's major article entitled "New Law Threatens to Slash Pensions". The article notes the impact of the 2014 MULTI-EMPLOYER PENSION REFORM ACT. Although this is a federal law, it suggests possible/probable implications with assistance from state pension laws.

The 2014 MULTI-EMPLOYER PENSION REFORM ACT, with assistance from US

Representative John Kline, allows certain financially stressed plans (pensions) to cut benefits already paid to retirees. As the STRIB article points out, "It's a radical shift from long standing federal laws safeguarding private pensions, which prohibit ongoing plans from cutting benefits that have already accrued. The new law creates an exception..."

As 2015 ends, we need to continue our vigilance to preserve and protect teacher and educational support personnel pensions. Attacks have been present throughout the entire United States. Previous presidential articles have attempted to illustrate to you the nature of the challenges, including a shift from defined benefit plans to defined contribution plans. REAM has been vigilant at the state legislature supporting our defined benefit plan.

"Some worry that approval (referring to a cut of TEAMSTER's pensions from \$2,550 to \$1,274) will lead to a wave of actions by other pension funds, jeopardizing the retirement of hundreds of thousands of people in multi-employer plans and setting the stage for additional legislation that extends to single-employer pensions."

"David Cartner, legislative counsel at AARP, said policymakers are increasingly looking to slash benefits that retirees are already receiving as a solution to shortfalls".

Cartner goes on the say, "The more it's permitted to happen, it encourages people to look at it as norm and not as an outlier".

The STRIB gives a brief summation of the 2014 Multi-employer Pension Reform Act:

What: Proposed benefit reductions to Teamsters multi-employer pension fund...

Who: Cuts would affect 272,600 people nationally, 14,800 of them in MN—about 40% who are already retired.

How Much: Cuts average 34%, but range to 60% or more.

When: Treasury to approve or deny cuts by May 2016.

Why: The Central States Pension Fund pays out more than it takes in.

Although this is a federal law, and the specifics must be approved by the US Treasury, we must be aware of the impact on the MN pension systems. Currently, TRA is at about 76% funded and is under state law to be fully funded. TRA is working on proposed legislation to meet full funding by 2044. The proposal will be submitted to the 2016 MN LCPR for review. Your REAM Directors will be informed when the proposal is adopted by the TRA board.

Your Legislative Committee (Don Leathers, Tim Moynihan and Henry Carbone) will keep REAM informed and we will notify your REAM Director of any actions that affect MN public pensions. You, as a REAM member will then be asked to contact your state legislators and inform them of the need and value of public pension plans for our state, and that TRA is working, with our support, to stabilize MN TRA pensions. I see the 2914 MPR act as another challenge to our pensions. REAM will remain watchful.

The 2015 and future MN legislative sessions will continue to determine the future of public pension plans. REAM is not political, BUT we must be aware that pension are political issues.

With all the information on pensions, I can't help but feel frustrated and at times angry over what is happening to those of us who spent much of our lives in the classroom working hard and not making all that much money considering the schooling we have. I remember the days of sitting in the cafeteria after school discussing whether or not the men, who were married, should be given extra money as head of household. We've come a ways, but here I am, retired and still having to fight for what I believe I've earned and saved for. Yes, we all put money into the pension fund so it could be invested and we could have a reliable income in our retirement. Notice the word reliable. I never expected to make tons of money as a teacher or in retirement, but I did expect that my pension would keep up with inflation and that means inflation that includes the cost of groceries, medications, and taxes. I've been noticing that many cities and counties are raising taxes.



Anita Hellie, Editor

Don Zwack, a member of the Legislative Committee, sent the following information. If you are happy with having the COLA reduced starting in January, 2017, sit back and say nothing to your legislators. If you think you deserve a better deal, send a letter, call and talk to your legislator, or plan to visit him/her in the local coffee shop. Go to the REAM website, (mnream.org), for the information that tells how much money comes into each county through government pensions. We could be asking the Legislature to put money into the pension fund every year in addition to what the schools are putting in for their current personnel. The state has money. There is money at the state level that could go into teacher pensions.

Now, women, couple that with the fact that many women did not put in as many years teaching as men did because they spent time at home taking care of kids, so their pensions are already lower than the average man's pension and women are going to live longer.

Another issue that concerns me is that retirees do not have a fair representation on the Minnesota Teacher Retirement Association Board (TRA). This should not be the case. We are NOT fairly represented.

**Impact of Possible Changes to our TRA Pension Benefits in 2017
Prepared by Don Zwack, Division Director Southeast Minnesota
Does a 2% or 1 ½% or 1% COLA compounded over a decade
make much of a difference in my pension check?**

The average teacher's monthly pension will be \$2,300 in 2016 according to TRA. Current proposals before the 2016 Legislature would lower the TRA Cost of Living Adjustment (COLA) going forward. **Our REAM Legislative Representatives will be your "voice" when the 2016 Legislature debates pension changes.**

TRA is currently set to pay a 2% COLA in 2016. Going forward, there will be changes. Just one-half percent change will have significant impact on your pension check. Annual increases will grow your pension benefit over 10 years. For example:

- With a 1% increase on \$2,300, the monthly benefit goes to \$2,541.
- With a 1½% increase on \$2,300, the monthly benefit goes to \$2,669.
- With a 2% increase on \$2,300, the monthly benefit goes to \$2,804.

With an inflation rate of 2-3% your buying power will take a real hit if the COLA is reduced.

Below is the dollar amount of compounded increased buying power (or lost buying power) over a decade with COLA increases as shown. You will see the impact is significant.

Impact of ½% cut in COLA over 10 years

<u>Year</u>	<u>@ 2%</u>	<u>@ 1 ½%</u>	<u>@ 1%</u>
2015 Base Ave.	\$2300	\$2300	\$2300
2016	\$2346	\$2335	\$2323
2021	\$2539	\$2478	\$2417
2026	\$2804	\$2669	\$2541

After a decade, here is your total increase (OR decrease) in buying power.

Per Month	\$ 504	\$ 369	\$ 241
Per Year	\$6048	\$4428	\$2892

REAM's website address:

REAM's website address has changed to: <http://mnream.org>. If you use "mnream.org" the REAM website should come up, too. We are trying to keep the website up to date. There will be new information under Pension News especially into January, February and the short Legislative Session which begins March 8, 2016. TRA and the LCPR (Legislative Commission on Pensions and Retirement) are looking at lowering the TRA COLA for Retirees beginning January 1, 2017 and keeping that lower COLA indefinitely.

Another REAM sponsored trip: LONDON and PARIS

The November issue of The REAM News lists four REAM sponsored trips through Premier World Discovery. Here's an additional 2017 REAM sponsored trip through Collette. LONDON & PARIS – 8 Days, 7 Nights – October 5 – October 13, 2016. See Buckingham Palace, Big Ben, a London Theatre Performance, train trip under the English Channel on the Eurostar Train, Eiffel Tower Dinner, Seine River Cruise, Arc de Triomphe. Roundtrip Air from MSP. Six breakfasts and 3 dinners included. Book by April 5, 2016 - \$3,899 Double. After April 5 - \$4,149 Double. The brochure and reservation form are on the REAM website under "Travel". Click on "Travel" on the homepage and you can download the brochure and reservation form. You can also email me: cchellie@charter.net and ask me to mail you the brochure / registration form.

AMBA updates:

Two notes to update you on AMBA (Association Members Benefits Advisors). They now offer a **Cancer /Heart Plan**

available to REAM Members. These benefits are paid directly to you. Members select the benefit level that best suits their needs. Call: 800-258-7041 or "myAMBAbenefits.info". **GETO (Government Employee Travel Opportunities) has changed its name to "Heroes Vacation Club"**. Those who have used GETO are grandfathered into "Heroes Vacation Club". REAM members who have not used GETO are not eligible for "Heroes Vacation Club".



*Chuck Hellie,
Executive Director*

We hope you had an enjoyable Holiday Season! Anita and I were busy entertaining two of our grandsons, ages 13 and 10 with downhill skiing and tubing, attending "The Wizard of Oz" at the Children's Theatre and a Timberwolves Basketball game. We also managed to attend the new Star Wars Movie: Bridge of Spies plus the Minnesota Train Museum at Bandana Square and the Jackson Street Roundhouse in St. Paul. We managed that in just a week, but isn't that what grandparents are for?

REAM MEMBERSHIP

Membership Report as of December 2015

		2014
Total Membership	8233	7603
Total Members by Division		
C	1450	1359
M	2919	2671
NE	605	540
NW	525	496
SE	1242	1180
O	896	791
SW	596	566

Encourage nonmembers to join REAM. Give them your Newsletter with the application form.

Need a good read now that the nights are longer and the days colder?

The Boys in the Boat: Nine Americans and Their Epic Quest for Gold at the 1936 Berlin Olympics by Daniel James Brown will help the gloomy days and long nights go faster. This is the story of how nine working-class boys, the sons of loggers, shipyard workers, and farmers, became the Washington state's rowing crew who beat the elite teams of the east and eventually went on to beat the Germans in the 1936 World Olympics in Berlin.

We wish you all the best in the new year!

NRTA NATIONAL ADVOCACY CONFERENCE

September 28th to October 1st 2015 – Washington D.C.

Tim Moynihan, Legislative Committee
Conference Meetings Overview

Co-Chair Henry Carbone and I recently went to Washington D.C. to represent YOU and Educator retirees in the State of Minnesota. This Biennial Conference, is tasked with disseminating information relevant to retirees and to facilitate face to face, substantive exchanges between state delegations from most of our States. Here are a few highlights of those meetings with our affiliate, NRTA.

The Keynote speaker was Ms Nancy LeaMond, AARP Chief Advocacy & Engagement Officer. She outlined the objectives of the Conference. The importance of the advocacy of AARP was underscored as she shared the demographic data that points to the fact that 1 in 4 Americans will be over 50 by the year 2030. As a result, the needs and demands of AARP have been growing exponentially for more than a decade. It continues to have as a priority, to be the most innovative Non Profit organization in our country. The goal of being and having a local presence in every state has been achieved. The goal of being more community based is an effort that is presently in process. Our recent consideration of Direct Action Organizing training and initiatives is an example of that.

Nancy was happy to report the passage, by **unanimous** consent in the U.S. Senate, of the **Older Americans Act**. It is a bill that will solidify existing and establish new resources for Retired Americans. The list includes employment, advocacy, and services for retired or soon to be retired Americans. The House of Representatives has yet to hear or act on this bill!!

The next speaker was, Ms. Joyce Rodgers, AARP V.P. for Legislative/Government Affairs. She reported a rundown of current legislation that is part of the AARP agenda. In addition to the **Older Americans Act**, there is the **Safe Streets Act**, addressing the fact that a disproportionate number of street accidents involve Senior pedestrians . . . the **RAISE Act**, addressing the issues and needs of so many Americans who care for older/younger loved ones in their homes. It was reported that nearly 40 million caregivers are presently doing so.

Ms. Rodgers also listed resources available to all of us through AARP. They include: **a Defined Benefit to Direct Contribution Plan conversion evaluation kit . . . the Center for Retirement Research . . . the Make the Payment campaign and others**. All can be connected to on the web at AARP. Sources such as these provide all of us with “talking points” as we do our advocacy with our colleagues and local lawmakers.

Since it is our expressed goal: To Preserve and Protect our pension . . . the next presenter was a man who has made a career of being a litigator doing that. He got the attention of everyone. His name is Jay Sushelsky. (He just retired and came back from sailing the ocean blue to share what he knows with me and you!) He first enumerated the “Sources of Protections” that have been employed towards achieving our goal. He discussed State and Local Laws, Court decisions when there were challenges in court, Constitution Law, both State and Federal, that give instruction on how pensions are to be conducted. He also identified some cases on protections that are instructive as to what is happening across the nation. They are:

Montana: GABA legislation (Guaranteed Annual Benefit Adjustment)

Colorado: “Justice Decision” changing to a DB/DC Hybrid

Rhode Island: Three Cash payouts & “we’ll TRY to give a COLA later”

Oregon: “Special Master” findings of redefining classifying retirees

Multiple States: TABER laws . . . Constitutional changes requiring that raising taxes/funding requires a taxpayer Vote!

He further emphasized, **“that Public necessity can override even iron clad statutory protections / promises!” His point is that protections are not permanent**. It underscores **OUR** need to be vigilant. Proposed changes in funding Medicare and Social Security Disability payments are likewise before Congress. Change is definitely in the realm of the possible. In fact, changes in “Protections” are probable.

Mr. John Hishta, Sr. V.P. of AARP Campaigns was the person who opened up a group dialogue. He emphasized that Campaigns have to ask some very important questions. “Well defined success . . . What does that look like?” He then said, **“Most people don’t get involved in an issue unless they have an emotional connection to that issue.”** He shared many experiences and offered us his email address so that we could contact him for ideas, strategies and support.

JOHN MORIARITY GOVERNMENT INVOLVEMENT AWARDS

Criteria for the REAM Educators and the John Moriarity Government Involvement Awards

The REAM Educator Award will be presented during the REAM State Conference in Alexandria on September 26, 2016. This award is given to a noteworthy REAM member who has contributed to the growth of REAM or a local REAM unit. To nominate an individual or individuals please use the following criteria:

- A. Personal endeavors as a school educator
- B. Promotion of the causes of education within the community
- C. Service to schools and community as a volunteer
- D. Service to retired educator groups at the local, division and/or state level.

Letters of nomination should be brief and concise, but include the following items in the individual's resume:

- A. Name, address education (place, dates, degrees, etc.)
- B. Teaching (or school related) places, level or work, years in service
- C. Date retired
- D. Experience, other than school-related
- E. Honors received, organizations, offices held, etc.
- F. Volunteer activities, church, community, etc.
- G. Service to retired educator groups at local, division, and/or REAM level.

The John Moriarity Government Involvement Award will also be presented at the 2016 State Conference on September 26. This award is given to any retired educator and member of REAM who is/was involved in local, county, state, and/or national government activities and political activities such as REAM/AARP legislative activity, political party involvement and/or campaign work.

Possibilities to consider for this award are those who are/were:

- *Elected or appointed to community government positions such as city councils, city commissions and board, or school boards.
- *Elected or appointed to county government positions such as county commissions and boards, or study or research groups.
- *Elected or appointed to state government positions such as state officers and commissioners, legislature, interns or advisors, or pension positions.
- *Elected or appointed to national offices such as cabinet members, Congress, staff assistants or interns, or those serving on boards or commissions involved in political activity such as REAM or AARP legislative activity, political party activity, or campaign workers.

Letters of nomination should include the same resume information as listed for the Educator Award nomination.

Please send nominations for both awards to: **Cheryl Huettl, 1909 N. Lakeshore Dr., Lake City, MN 55041** or email to hjhuettl@yahoo.com. For questions you may call 651-345-3585.

Please include the names and addresses for those who are submitting the nomination. The deadline is July 31, 2016.

LEGISLATIVE REPORT

Don Leathers, REAM Legislative Co-chair

Go to the REAM website (mnream.org) for detailed information about the Teacher Retirement Association Board meeting held in December, 2015. It shows how our COLA's may be affected. Check this website for up to date information on our pensions. Contact persons from the Legislature are listed.

EDUCATION MINNESOTA RETIRED LEGISLATIVE CONFERENCE

Every even numbered year REAM is invited to attend the Education Minnesota Retired's Legislative Conference. Every odd numbered year REAM invites Education Minnesota Retired to attend our Legislative Conference. Below is the Registration Form for the 2016 Legislative Conference.

**EDUCATION MINNESOTA RETIRED
LEGISLATIVE CONFERENCE
THURSDAY, FEBRUARY 19, 2015
10:00 a.m. – 3:00 p.m.**

Location: Sheet Metal Workers International, 1681 Cope Avenue, Maplewood, MN
Cost: \$20.00 per person which includes lunch.

REGISTRATION FORM

NAME(S) _____

ADDRESS _____

CITY / ZIP _____

Enclosed is a check payable to Education Minnesota Retired in the amount of \$ _____

for _____ reservation(s).

Mail to: Education Minnesota Retired
41 Sherburne
St. Paul, MN 55103

NRTA National Advocacy Conference continued from page 4

Mr. Hishta's topic is what I came away with as the most poignant for our REAM organization. **How do WE know we are having success in achieving our goal as an organization?** Is it measured by our recent gains in membership? It is a question that most REAM leaders continually ask themselves. I have decided that my focus will be to expand the target audience for our message . . . Pension Preservation . . . to take what we've learned from John in Washington to advocate with our Legislative representatives. I believe that this is NOT a partisan issue. It is, however, a political issue. Important issues regarding our pensions are looming for the next legislative session in 2016. **Before we elect** new representatives to our Statehouse, decisions will have been made.

Please look for our suggestions for your local units, and for you, a voting taxpayer, on our Website. Your involvement will typify the sentiment that, "the good of the many outweighs the good of the few!" I wish you well!

MEMORIALS AND GIFTS — JANUARY 2016

IN MEMORY OF:	FROM:	AMOUNT:
BILL BECKER	MARGARET ANZEVINO, OAKDALE	\$10
	JERRY / NANCY IRSFELD, ROSEVILLE	\$10
DON "CORKY" BRODERSEN	JERRY / NANCY IRSFELD, ROSEVILLE	\$10
DAN HOYT	WINONA AREA REAM	\$10
PHYLLIS LONDGREN	DON / LENORE MARTENS, MORA	\$20
CAROLYN KROGH	CARLTON COUNTY REAM	\$10
LARS OVERSKI	JERRY / NANCY IRSFELD, ROSEVILLE	\$10
SHARRON SCHLAGEL	SHARI PRETZER, SARTELL	\$10
 GIFTS		
DONATION		\$1
DONATION		\$2

REAM EXECUTIVE COMMITTEE

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REAM STATEMENT OF PURPOSE

- Represent all school retirees, present and future, certified and classified.*
- Educate and inform all school personnel on matters related to the improvement of their economic and social status.*
- Assist and work to strengthen local and regional units in every way possible.*
- Monitor the actions of, and cooperate, with the legislature, all government units, and other organizations that deal with present and future retired school personnel.*

If you are retired or within 5 years of retirement as an educator (any school personnel) you are eligible for REAM membership.
FOR AN EDUCATOR THE CHOICE IS EASY – JOIN REAM

MEMBERSHIP/RENEWAL APPLICATION - RETIRED EDUCATORS ASSOCIATION OF MINNESOTA, INC.

Legal Name _____
(Last) (First) (Middle)

Mailing Address (Street or Route Box) _____

City _____ State _____ Zip _____

Winter Address if different _____

*If winter address is not known at this time, please notify us when you do know it, either by regular or e-mail: jresler@comcast.net.

Phone _____ Email Address _____

CHECK MEMBERSHIP DESIRED: Please check appropriate box so that we can record accurately.

- 1. \$175 Life
- 2. \$70 Five Year New Renewal
- 3. \$15 Annual New Renewal

- PENSION SOURCE:
- TRA
 - PERA
 - St. Paul
 - Other

Membership Year Sept. 1 to August 31

Make check payable to REAM. Mail payment and form to: REAM MEMBERSHIP, BOX 130547, ROSEVILLE, MN 55113.

For membership card, enclose a self-addressed stamped envelope. www.mnream.org