

# Retired Educators Association of Minnesota



Protecting Pensions. Serving Members.



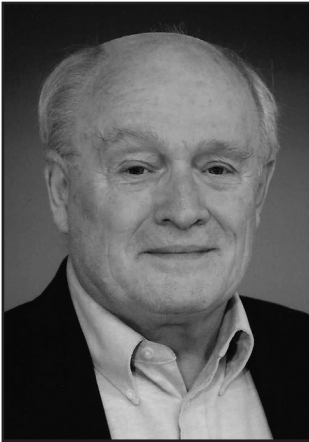
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<http://mnream.org>

May 2016

## PRESIDENT'S REPORT

John Fisher, REAM President



John Fisher,  
President of REAM

The Minnesota Legislature is considering important legislation to sustain the TRA Fund. The TRA fund, without legislative action/approval, will result in a 4.5% deficit. The deficit is a result of a "change" in assumptions based on an Experience Study. The study examined and set basic assumptions to project key changes that the TRA financial package identified. Without action by this session of the MN legislature, the TRA fund will face a deficit of \$106.5 million.

This results in a TRA deficiency of 4.5% after mortality/investment assumption changes.

The study noted that the following changes result in the deficit:

- a change of investment return earning from 8.5% to 8%.
- lower payroll/salary increases
- new mortality data showing that teachers are living 2 years longer on average

As retirees it is good that we are projected to have two additional years to receive our TRA benefits, but for the TRA plan, the consequences are **real** and **MUST** be addressed. Under Minnesota law, the TRA fund must be structured to achieve financial stability.

The TRA proposal before the LCPR (Legislative Commission on Pension and Retirement) provides for sustainability in 30 years. The proposal is as follows:

- **Contribution Rates:**
  - o Employer increase would go from 7.5% to 8.5%--effective 7/1/17. This would generate \$43 million per year. (Average impact on school district budgets is one-third to one-half of 1 percent.)
  - o Teacher contribution rates would remain at 7.5%

- **COLA Reductions affect both retirees and actives:**
  - o Reduce COLA from 2% to 1% for 5 years, effective 1/1/17
  - o Increase COLA from 1% to 1.75% after 5 years, beginning 1/1/22
  - o Eliminates future COLA triggers
- **Savings:**
  - o Saves \$1 billion in liabilities
  - o Eliminating COLA trigger reduces liabilities by locking in savings of \$700 million

How does the TRA Sustainability plan play out for each group:

- **Current Retirees:** 34% (COLA Cut) amounts to \$627 million
- **Active Teachers:** 27% (COLA Cut) amount to \$487 million
- **Employers:** 39% (contribution increase) \$713 million

Because 61 percent of the solution is borne by active and retired teachers, in 30 years actives and retirees will be losing 1.114 billion, but will save the retirement fund.

REAM supports the TRA Sustainability proposal because we want the TRA fund to provide benefits for current retirees AND benefits for future retirees WITHOUT going to drastic measures which might include a switch from our current DEFINED BENEFIT plan to a DEFINED CONTRIBUTION plan which will benefit no one.

As a valued REAM member, contact your local state senator and state representative asking them to support the TRA Sustainable proposal. Using the data presented in this article, you have the ammunition to actively support the proposal. On behalf of your colleagues who are receiving TRA benefits and for the need to keep the fund solvent for future educators, be an active advocate for sustainability. As Associate TRA Executive Director Luther Thompson says, "pensions are to recruit and retain teachers in our profession".

There is lots of good information about our pensions. Take time to get involved. Lobby Day is exhausting, but it is interesting and very worthwhile. If you've looked at the map of the amount of money that goes into each county in the state through state pensions, to not support pensions is to say, "My county, or legislative district, doesn't need the money".

- Talk to folks who are just retiring and explain the issues to them. Get them involved. They have more years to depend on pensions than some of us do.
- Know how much money is coming into your legislative district and talk with your legislators about keeping those funds in their district. Buying power helps all of our communities.

**Watch for information about our Conference in September.** Our website is [mnream.org](http://mnream.org). I've been going to these conferences for about 15 years and I always enjoy them. The bus trips have given me an opportunity to see places in Minnesota that I otherwise wouldn't have seen.

I'm looking forward to the bus trip in Alexandria as there will be some lovely scenery and the museums are interesting. Then, too, I enjoy connecting with people, many of whom I met at a conference and see them only at the conference each year. These people were devoted teachers and are workers in their communities. It's interesting connecting with "doers", even though their schedules are busy with other community activities, grandkids; and, in some cases, aging parents. The conference is a good break and gives you a much needed shot to go back and keep working.



Anita Hellie, Editor

## PRESIDENT-ELECT REPORT

Lonnie Duberstein, REAM President-Elect

### **Life Plus: Life Membership Making a Statement**

Roughly 30% of REAM members have already made a significant statement by choosing to become life members. The "life" part of the membership identification may for many, represent a deeper, more dedicated tie to the Association. There is a special feeling that comes with becoming a life member of any organization.

Lately, I have come to embrace an idea that I will call **Life Plus**. For me, this means commitment renewal to the Association with a continued donation of the annual membership fee. This gift, for some, may seem like a weird, crazy idea, because it is not necessary to retain membership. But, some of you reading this will know what I am trying to convey.

Logically, looking at membership fees will show that beyond a point, for REAM it is just under twelve years, a life membership no longer adds income to the Association when compared with annual membership fees. By continuing to make an annual donation a life member will be able to recharge that feeling of dedication to the cause.

I have enjoyed sharing my thoughts of the **Life Plus** idea. For me, the continued donation is a very inexpensive way to show my pride for the Association and its mission. I do need to say that if you choose to become a **Life Plus** member you will need to clearly make your wishes known by indicating that the contribution is a donation, and not a membership fee, or it may be returned.

### **ATTENTION**

If you would like REAM Legislative update emails

- Go to the REAM Website ([mnream.org](http://mnream.org))
- On the Home Page scroll down to the Sign-up Section
- Put in your Name and Email Address in the blanks
- Push "Send button"

Please note REAM has a **Conference** instead of *Convention* with this year's **Conference** being held Monday and Tuesday, September 26 and 27 at the Alexandria Holiday Inn. Some local units send a representative paying some of their expenses, like the registration fee and/or hotel. The representative reports back to the local unit. I would encourage each local unit to send a representative. REAM also asks each local unit to send a door prize, too.

REAM President-Elect Lonnie Duberstein and I will be attending a NRTA (National Retired Teacher Association) Conference in Chicago May 2 – 5. This Conference is for volunteer state organizations and will not include states like Texas, Maryland and Illinois which have several fulltime employees working for their associations.

**REAM is affiliated with NRTA which is affiliated with AARP.** The NRTA founded AARP many years ago. Today, NRTA is a Division of AARP. One out of seven Minnesotans belong to AARP. If you belong to AARP check your AARP Membership Card. Under your name, *“valid thru”* and *“membership number”* does the card include *“NRTA Division”*? If your card doesn't have “NRTA Division”, AARP doesn't know you are a retired educator. This is important because NRTA receives funding from AARP depending upon the “NRTA Division” on our AARP Membership Cards. You can have the “NRTA Division” designation on your AARP Card simply by calling the phone number on the back of your Membership Card (1-888-687-2277) and asking to have “NRTA Division” placed on your new Membership Card. There's no cost to you.

**August 1 – 4 ASRTE (Association of State Retired Teacher Executives)** meets in Albuquerque, New Mexico. I will be attending this annual meeting which gives information on national trends. It's also a chance to get ideas from other Executive Directors from around the United States.



Chuck Hellie,  
Executive Director

Some of you know I'm on the Board of Directors for Education Minnesota Retired. I've been elected to attend the NEA (National Education Association) Retired Annual Meeting in Washington, D.C. June 29 and 30 followed by the NEA Representative Assembly July 2 – 7. I've done this several times and at the NEA Retired I quite often am asked to lead the retirees in singing the National Anthem which is an honor for me and recognition for Minnesota.

When one also has a college class reunion, a couple of family reunions to attend, and our 14 year old grandson coming for several weeks in June and July, this looks like it will be one of my busiest summers! I'm looking forward to it.

## REAM MEMBERSHIP

### REAM Membership Report as of April 2016

		December 2015
<b>Total Membership</b>	<b>8750</b>	8233
<b>Total Members by Division</b>		
C	1528	1450
M	3145	2919
NE	649	605
NW	553	540
SE	1298	1242
O	951	896
SW	626	566

Encourage nonmembers to join REAM. Give them your Newsletter with the application form, or let them know that they can go online under the REAM website. Be sure to contact newly retired school personnel.

### Correction to the March Issue on Local Contacts

Richfield REAM Contact  
Margaret Severe  
612-869-0559

Osseo Area REAM is  
**OARE** not Care

Northland REAM (Thief River)  
Is no longer a Unit.

At the end of May, 2015, the Teachers' Retirement Association (TRA) released a much-anticipated Experience Study outlining some serious issues facing its pension fund. The findings which were of an economic and demographic nature prescribed a fund that needed adjustments if it were to remain sustainable for future retirees.

In its normal fashion, TRA staff was proactive in getting ahead of the possible crisis that lay ahead. They met with shareholder groups from Education Minnesota, the Minnesota School Board Association, Superintendent and Principal groups, as well as the two retired groups, EdMN Retired and the Retired Educators Association of Minnesota (REAM). During those meetings, TRA Executive Director Laurie Hacking and staff carefully outlined the findings of the Experience Study, explaining the gravity of the situation if nothing was done to correct it. The staff took input from the various shareholder groups which, in turn, would direct them in crafting legislation to help sustain the fund to almost 100 per cent by 2047. The resulting legislation was called the TRA Sustainability Legislation.

In November, the interim Legislative Commission on Pensions and Retirement (LCPR) held a hearing to determine whether TRA's rate assumption, or discount rate, should be lowered from 8.5 per cent to 8 per cent. After debate, the commission voted to accept their actuary's recommendation to lower the rate. That further eroded the TRA plan's funding ratio.

In December, the TRA Board met to discuss and vote on the four options that the TRA staff had submitted to help get the fund back on track. The option selected, but not endorsed by EdMN Retired or REAM, in effect:

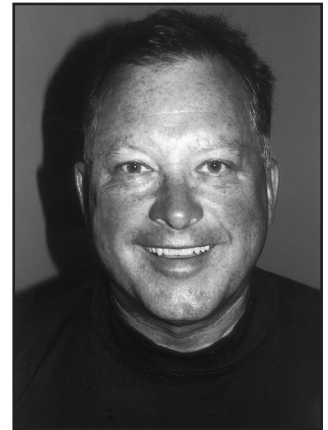
- called for no contribution increase for active teachers
- lowered the COLA from 2% to 1% for 5 years (1.75% after)
- a 30-year amortization period instead of a 22 year amortization period
- a 1% contribution increase for schools that would be **funded by the state**

The measure passed with one dissenting vote by the board member representing the School Board Association. She had concerns over the 1% employer contribution not being funded by the legislature.

Although school districts are asked to contribute more (8.5%, up from 7.5%), active teachers (through future COLA and benefits cuts), and retirees (through COLA cuts) comprise approximately 80% of the cost of the solution.

Let's do some math. It is mid-April 2016. The Experience Study was released last May. That's over ten months. The TRA Board approved a plan and the TRA staff began crafting legislation in December. The LCPR had additional interim meetings in

February, March, and April. That's three months. REAM and Ed MN retired conducted a Lobby Day in March to meet with LCPR members and discuss with them the importance of passing the Sustainability Legislation in its entirety this **session**. Retirees have been sending commission members emails urging them to fund the 1% employer increase. Five LCPR hearings have been conducted in March and early April and, still, no action on the TRA Bill. Kicking the can down the road has become an art form in St. Paul.



*Don Leathers, REAM Legislative Co-chair*

It is becoming crystal clear that partisan politics, not what is best for Minnesotans, is an increasingly big part of our legislature. So, if something is really important to you, if it affects your life directly in a negative, or positive way, the best advocate for you is YOU. In order to advocate for yourself, you must educate yourself first. If your concern is your pension and preserving your way of life and making sure that your children and grandchildren can retire with dignity, then here are some places of interest for you.

#### **TRA website ([minnesotatra.org](http://minnesotatra.org))**

- look at the Fund Facts for talking points
- go to the Pension News Archives about past practices
- open up the Media Kit and see what is there for you

#### **REAM website ([mnream.org](http://mnream.org))**

- check various links such as NEA-Retired, NRTA, or AARP
- click on the icon for Pension News and get involved

**LCPR website ([lcpr.leg.mn](http://lcpr.leg.mn))** find agendas and contact information

Not all issues that impact you deal with pensions. Find out who your legislators are, contact them and build a personal relationship with them. Find your **senator at [senate.mn](http://senate.mn)** and your **representative at [house.leg.mn.us](http://house.leg.mn.us)**. Share your concerns with them and, if you are in St. Paul, stop in and visit them in their office. They really do enjoy hearing from their constituents.

I've probably missed something, but the point is: get involved. Your pension is too important to your life for you to watch some legislators carve at it with a knife. **It all begins with YOU. GET ACTIVE! STAY ACTIVE!**

## AWARDS PRESENTED AT THE 2016 STATE CONFERENCE

The **REAM Educator Award** and **The John Moriarity Government Involvement Award** will be presented at the 2016 State Conference on September 26 in Alexandria. If you have someone you would like to nominate whose qualifications fit one of these award criteria, please get the name in to:

**Cheryl Huettl, 1909 N. Lakeshore Dr., Lake City, MN 55041** or email to [hjhuettl@yahoo.com](mailto:hjhuettl@yahoo.com). For questions you may call 651-345-3585.

The criteria for each of these awards was published in both the January and March issues of REAM.

## REAM SPONSORED TRIPS

**Venice and the Italian Lakes** departing MSP October 18, 2016 on a 9 day trip to Italy featuring 7 nights in Lake Como area staying in the same hotel. Booking Discount of \$400 per couple if registered by May 31. Cost: \$3,595 Discount per person double. Regular Rate: \$3,795. Single Supplement: +\$750.

**Spain's Classics** departing MSP March 4, 2017 returning March 14. Visit Madrid, Toledo, Cordova, Seville, Granada, Valencia and Barcelona. Cost: \$3,749 Double. \$4,249 Single. \$3,719 Triple. Rates \$200 higher after September 5, 2016.

See Brochure and Registration on REAM website ([mnream.org](http://mnream.org)) or call Chuck Hellie @ 507-301-3609 or email: [cchellie@charter.net](mailto:cchellie@charter.net) for a brochure.

## REAM HISTORIAN

**Can you help?** I am looking for newspaper articles or photographs for our REAM files. These newspaper articles and photographs should be of REAM members who

- have received special recognition for their accomplishments
- obituaries of REAM members who have been board members
- individuals who have been visible and known to the REAM membership.

There are many individuals who have had a great impact on our organization and we'd like to have their obituaries in our archives.

If your unit has done a **special project supported by REAM**, those pictures would also be of interest. **REAM conference photos** would be welcome, too. Please identify people and put the date on if known. If you have articles or photographs which you are willing to donate to our files, please give them to your unit representatives to pass on to me or mail them directly to me. If you'd rather just email the articles and pictures, that would also work. Thank you for your help.

**Address:** Shirley Schroeder  
16752 Ewald Road  
Caledonia, MN 55921

**email:** [ewaldses@q.com](mailto:ewaldses@q.com)

A first grade teacher collected well known proverbs. She gave each child in her class the first half of a proverb and asked them to come up with the remainder of the proverb. Their insight may surprise you.

Better to be safe than ..... punch a 5th grader.  
Don't bite the hand that ..... looks dirty.  
The pen is mightier than the ..... pigs.  
A penny saved is ..... not much.  
If at first you don't succeed ..... get new batteries.



# 2016 REAM CONFERENCE

## Monday & Tuesday, September 26 & 27 at Alexandria Holiday Inn

Last December the REAM Board of Directors voted to change the annual Convention's name to "Conference". They voted to have the Conference meet only two days instead of three days. Another change is to have the REAM Board of Directors hold their September Board Meeting on the morning of the Conference beginning at 8:00 a.m. and ending at 11:30 a.m. at the "Conference" Hotel. All REAM Board of Directors Meetings are open meetings and anyone can attend. REAM members are especially encouraged to attend this meeting.

### Monday, September 26

- 8:00 – 11:30 a.m. Board of Directors meet at the Alexandria Holiday Inn.
- 9:00 – 5:00 p.m. Registration at the Alexandria Holiday Inn.
- 12:30- 2:30 Historical Bus Tour of Alexandria including Lake Le Homme Dieu, Lake Carlos and Lake Darling. The Tour will include a visit to the Runestone Museum and the Maritime Museum.
- 3:00 – 4:00 p.m. Three simultaneous Breakout Sessions.
- 4:00 – 5:00 p.m. Featured Speaker: Janelle Kendall, Stearns County Attorney speaking on **Human Trafficking**.
- 5:00 p.m. Awards Ceremony
- 6:00 p.m. Dinner
- 7:00 p.m. Entertainment: "**Walter's Wheelhouse**" Janelle Kendall and Dan Witte, Lead Guitarist.

### Tuesday, September 27

- 7:00 a.m. Breakfast
- 8:00 – 10:00 a.m. Registration at the Alexandria Holiday Inn
- 8:00 – 9:00 a.m. Three simultaneous Breakout Sessions
- 9:00 – 2:00 Exhibits
- 9:00 – 10:00 Visit the Exhibits
- 10:00 – 11:30 Annual REAM Meeting, Election and Installation
- 11:30 – 12 Noon Visit the Exhibits
- 12 noon – Luncheon
- 1:00 – 2:30 p.m. TRA Executive Director, PERA Executive Director SBI Executive Director, and AARP State Director
- 2:30 – 3:00 Coffee, Refreshments and Door Prizes

**Registration Form, Bus Tour Information and Hotel Information will appear in The REAM News and The REAM Website (mnream) in early July.**

*Janelle Kendall is the featured speaker for the 2016 REAM CONFERENCE on September 26-27 in Alexandria. She is the Stearns County's County Attorney and will speak on "Human Trafficking".*



## MEMORIALS AND GIFTS — MAY 2016

IN MEMORY OF:	FROM:	AMOUNT:
JANE ANDERSON	CARLTON COUNTY RETIRED EDUCATORS	\$10
IVAN CAMRUD	MOORHEAD AREA REA	\$10
LUCILLE FEELEY	STILLWATER AREA REA	\$10
BERNICE GRIGGS	BRAINERD AREA RETIRED EDUCATORS	\$10
HELEN PIEHL	GLENCOE AREA RETIRED EDUCATORS	\$10
RUTH PIERCE	STILLWATER AREA REA	\$10
DONALD BRANIFF	MOORHEAD AREA REA	\$10
TONY GROSCHE	STILLWATER AREA REA	\$10
JEAN MASYGA	WINONA AREA RETIRED EDUCATORS	\$10
WILLIAM SCHULTZ	STILLWATER AREA REA	\$10
 <b>GIFTS</b>		
LOIS CLARK	CAPTIVA, FLORIDA	\$10
LAURIE CONZEMIUS	PARK RAPIDS	\$10

## REAM EXECUTIVE COMMITTEE

### REAM OFFICERS

**President: John Fisher**

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**Past President: Curt Hutchens**

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320-249-2719  
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### COMMITTEE CHAIRPERSONS

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**Editor: Anita Hellie**

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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