



Protecting Pensions. Serving Members.

www.mnream.org



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President's Message

Lonnie Duberstein

Dear REAM members,

In a Dream Big scenario, I would wish for REAM and public education to have unlimited funds: funds to be able to compete with the many, very well funded, anti-public pension entities that are out to eliminate the defined benefit system on which we depend for retirement security, funds to be able to ignite and educate the active teaching ranks throughout this country to the growing theft of their public pension promise, funds to be able to mass a lobbyist onslaught more effective than those whose primary goal seems to promote corporate greed, funds to be able to battle the dragons that are against first class funding for public education, funds that would help maintain and build schools rather than rebuilding stadiums that are less than half the age of most public schools, funds that would attract and retain the finest teachers giving them a rock-solid promise of a secure tomorrow, funds that would guarantee a bright future by eliminating the need for referendums by fully funding all students pre-k through college in all states and US Territories. In my Dream Big world, there would be no teacher retention or shortage crisis. Teaching would once again be a proud profession, not the one that currently has some educators discouraging their own children from becoming teachers. There would be no students left behind. The complete health, welfare, and education of the young would, and should, be the prime directive of a truly rational, forward thinking society.



Of course, Dream Big will never happen . . . too many dream blockers are in the way. Too many powerful people are happy with the economic divide that is increasingly separating the "really have" few, from the "barely have anything" many. Too many people are ready to remove the word *public* from in front of the word school. Too many people are convinced and satisfied that our country already does enough for the poor, the sick, the children, the homeless, the hungry, the illiterate, the elderly, the jobless, the disabled, the addicted, meaning basically the voiceless . . . the moneyless.

I am increasingly bothered by the fact that money seems to dictate the outcomes available for almost all solutions used to fix problems. There is really no lack of money or wealth in the world; it is just distributed with gross inequity. Why is money allowed to be the elephant in the room when our elected officials make decisions regarding legislation? Why is money allowed to take such control over the election process and then of those elected? Why can't retirement promises be kept for those that serve the public while accepting lower salaries?

I am also increasingly aware of the fact that the concerns mentioned in this message will never be ameliorated just because they should be the right things to do. It will take pressure from the masses to get elected officials to do what is right for public service employees. As states across the nation continue to change to defined contribution pension plans the pressure to do so intensifies in Minnesota. Your voice needs to be a part of the masses reminding the legislators that they have a promise to keep to the public employees of the state. Our elected officials have an obligation to fully fund the public pension plans, thus insuring the retirement security for thousands of seniors throughout the entire state. **Please be in contact with your elected officials this legislative session.**

Lonnie



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

The REAM Educator Award will be presented during the REAM State Conference at Grand Casino, Hinckley on September 25, 2017. 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/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 2017 State Conference on September 25. 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, 2017.



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REAM Legislative Report

Tim Moyihan
REAM Legislative Co-Chair



Hello again, members! A lot has been happening since the 2017 Legislative Session began in January. I will try to give you a synopsis that gives you a sense of where things are at the present time.

It was well into January before we knew who the Legislators named to the Legislative Commission on Pensions and Retirement (LCPR) would be. House members were named first and the Senate followed less than a week before the first meeting was scheduled. This is of importance as it was a pattern of delay that has continued.

We hosted the Annual Legislative Conference on February 8. We alternate hosting this event with EdMN-Retired. We scheduled it early thinking that getting active was called for. Remember last year's agenda included the LCPR Chairperson, Sen. Julie Rosen. Days before the event, Sen. Rosen cancelled. One other Republican member, Rep. Tony Albright had agreed to come for a Legislative Question and Answer Session. He did not show up. No apology or explanation was given. Only Democrat, Rep. Paul Thissen came. We learned a lot that day that was helpful, especially from National Retired Teachers Association representative, Tom Nicholls. We learned the extent to which Pensions are under fire nationwide. He made the case for meeting with and conversing with legislators. NRTA Tips about how to do that are available on our REAM website as a link. www.mnream.org.



As the Legislative session has ensued, Commission meetings have allowed testimony on the TRA stakeholders Bill that was collectively developed. Our President and Vice-President testified without Don Leathers and myself. We were told there wasn't enough time for all of us to speak. We were told that we would have opportunity to testify at a later meeting. As of this writing, that has not happened. Meetings have been cancelled, and as of Easter break, no action on our Bill has been made.



What has happened is that Rep. Albright and Rep. O'Driscoll, (2016 chair), asked for a report on possible measures that could produce savings for the State in the "Course Correction" with TRA that we have proposed. Among those is a PERMANENT ONE Percent COLA, a lowering of the 1.9% multiplier to 1.7% and a PERMANENT 7.5% assumption rate. The COLA part means retirees and future retirees would see the buying power of their Pension going backwards against inflation... *Forever*. The report was given to the Commission. Little opportunity to respond by stakeholders or hearing have been granted. Many of us have answered that privately. So what should a REAM member do?

It is my hope that you are seeing/hearing that pension involvement is greatly *needed*. The pattern of delay and inaction from the Party in power is creating considerable concern for retirees and actives alike. Please *call*, *write* or *email* your State Senator and State Representative immediately. Tell them simply...that our Pension is NOT an Entitlement. It is a Benefit that was promised. It was paid for by YOU and your employer, and WE should be able to continue collecting on that Promise. Tell them you expect them to pass the House File #2486 Bill as crafted by TRA and the Retiree stakeholders! We expect promises to be kept.

Thank you...Thank you in advance for your timely involvement!

The REAM Action Committee (RAC) has been working hard for a little over a year. Their goals have been to increase the REAM membership and also to reactivate some REAM units. They have increased the REAM membership by nearly two thousand members by contacting former members who had not renewed their membership. REAM has a membership of 9,500 members. Our goal is 10,000+. Our local units number 34, but in the last two years we have lost nine local units – Mankato, Crow River (Dassel), Agassiz Area (Fertile), Crookston Area, Detroit Lakes, Northland Area (Thief River), Iron Range Area, Tri County and Forest Lake. The REAM Action Committee is working to resurrect Mankato and hopes to renew some others in the near future. Your help is needed. It is important to get retired teachers together to discuss the issues in education and how it affects us in our retirement—especially our pensions. Folks need help in understanding how the system works or isn't working as the case may be. Getting together and discussing the talking points helps folks understand the issues at stake so they can have good information to discuss with their legislator.



Thank You!

Hats off to the REAM Action Committee (RAC) led by Paul Ehrhard. Other Committee members include Karna Brewer, Don Zwach, John Fisher and Lonnie Duberstein.

Here in Northfield we are working on starting a new REAM unit. We have met twice with retired educators and twice with a steering committee. Hopefully, we will be organized by next year.

The next month or so will have some tense times in St. Paul at the Minnesota Capitol. With a Republican House and Senate and a Democratic Governor the odds of a special session are very great. Negotiations will probably still be going on in June. Keep posted on the website for further information. Talk to your legislator. Pensions are important. Every county in the State of Minnesota benefits from public pensions.



2017 REAM ANNUAL CONFERENCE

This year's Annual Conference will be at Grand Casino Hinckley Monday and Tuesday, September 25 and September 26. The REAM Board of Directors will meet Monday morning at Grand Casino Hinckley beginning at 8 a.m. through 11:30 a.m. Everyone is welcome to attend the board meeting! The Annual

Conference Registration at Grand Casino Hinckley will begin at 9:00 a.m. until 5 p.m. on Monday, September 25.

At 12:30 p.m. there will be an optional bus tour to St. Croix State Park from Grand Casino Hinckley. At 2:45 p.m. – 3:45 p.m. three simultaneous breakout sessions will begin the 2017 Conference. From 4:00 p.m. to 5:00 p.m. three additional simultaneous breakout sessions will be held. 5:00 p.m. will be the Annual Awards Ceremony, followed by dinner and entertainment. This year's entertainment will be "Sarah Mae & the Birkeland Boys". They play Blue Grass, Country and Gospel. Sarah plays violin and piano but most of the time she will be playing the bass viol. Her brother, Derek Birkeland, plays the guitar, fiddle and mandolin and has a strong baritone voice. Adam Birkeland is the youngest and plays the resonator guitar. Mike Birkeland is the father and he plays guitar and sings harmony and lead vocals.



On Tuesday, September 26 after a 7 a.m. breakfast Registration will begin at 8 a.m. The REAM
continued next page

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Annual Business Meeting will be from 8:00 a.m. to 9:30 a.m. and Exhibits will open from 9:30 a.m. until 2 p.m. At 10:30 a.m. Featured Speaker Joe Schmit from KSTP Television will be speaking to the Conference. The title of his speech: "Silent Impact: Influence Through Purpose, Persistence and Passion." Loaded with humor Joe Schmit inspires and teaches you how to ramp up the profound power of your influence.

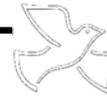


Joe Schmit, Featured Speaker

After lunch TRA Executive Director Laurie Hacking, PERA Executive Director Doug Anderson, SBI (State Bureau of Investment) and AARP State Director Will Phillips will address the Conference. Coffee, Refreshments & Drawings for Door Prizes will close the 2017 REAM Annual Conference.

The Registration form will appear in the July issue of the *REAM News*.

MEMORIALS – May 2017



IN MEMORY OF:	FROM:	
CARL ANDERSON	CHUCK SELL, ST. CLOUD	\$ 10.00
CONWAY THOMPSON	RHEA THOMPSON, BECKER	\$ 30.00
DOLORIS WEDUL	WINONA AREA RETIRED EDUCATORS	\$ 10.00
DORIS SMITH BALTRUSAITIS	DOLORES PETERS, MOUNTAIN LAKE	\$ 10.00
ELINOR JOHNSON	GORDON JOHNSON, ORO VALLEY, AZ	\$ 50.00
GEORGE KOSEVICH	CAROL KOSEVICH, FARIBAULT	\$ 50.00
HELENE "TERRY" BERG	BILL BERG, KNIFE RIVER	\$ 40.00
JAMES FOLEY	STILLWATER AREA RETIRED EDUCATORS	\$ 10.00
JOE EIKMEIER	ANONYMOUS	\$ 20.00
JOE EIKMEIER	WEST CENTRAL RETIRED EDUCATORS	\$ 25.00
LARRY CLINGMAN	WINONA AREA RETIRED EDUCATORS	\$ 10.00
LISA KAY SUKOLA PLUTO	JOYCE WITTENHAGEN, ST CLOUD	\$ 20.00
LOANN JOHNSON	STILLWATER AREA RETIRED EDUCATORS	\$ 10.00
NANCY DAHLQUIST	BERNICE AMACHER, EDINA	\$ 10.00
RITA LANGE	PATSY SCHELSKE, ST CLOUD	\$ 25.00
RON PROULX	MICHAEL LEADHOLM, LINDSTROM	\$ 25.00
ROGER LARSON	THOMAS KIECKER, MINNETONKA	\$100.00
RUTH HOVEY	JUDY RESLER, SHOREVIEW	\$ 50.00
VERNON PENNIE	STILLWATER AREA RETIRED EDUCATORS	\$ 10.00
YVONNE ELLINGSON	ANONYMOUS	\$ 20.00

GIFTS

ANONYMOUS		\$ 25.00
ROBERT BJORK	SAUK CENTRE	\$ 30.00
	DONNA WOLFEGRAND RAPIDS	\$ 20.00
GAIL LOVERUD	HAM LAKE	\$15.00
OverPaid Mbrshp		\$ 5.00

Memorial and Gift form on the back page.

Focus Box

What about this?
**Comments from the 2017
 Legislative Conference:**

I learned some very good tactics for how to approach my elected representatives.

"What is your position on...?" and then follow up.

All tips were interesting and helpful.

I was a first time attendee. I will be back!

Wonderful conference!

Individual units need to advertise this more.

Carpool! Bring others with you.

Thanks for all you do.

It's important to tell legislators that you appreciate their service.

Also, let them know that you paid for your retirement and were promised benefits.

Great Conference!

Tell personal stories when advocating for public pensions.

Stories provide good illustrations and stay fixed in the memory.

2017 REAM Trips Still Available for 2017

Brochures & Registration Forms are on the REAM website: "mnream.org"
 If you would like a brochure and registration form mailed to you, email: cchellie@charter.net or call: 507-301-3609.



Pensions: You and the State

Guest Article from Curt Hutchens, past MN-REAM President

Hello REAM members! How are you doing? **Are you aware of how much your pension has eroded since 2009?**

Since 2009, we have lost the MN Post Retirement Investment Fund (Post Fund), which averaged a COLA of 6.8% from 1980-2003 and kept TRA retirees ahead of inflation. With the loss of the Post Fund, we were promised a 2.5% COLA going forward. It lasted one year, followed by two years of ZERO COLA, followed by 2.0% COLA until the present. **Now the Legislative Commission on Pension and Retirement (LCPR) is seriously looking at changing our COLA to 1% permanently.** This action has the potential, for the first time in decades, to have us, TRA retirees, fall behind inflation with a loss of buying power.



In 1998, the MN Legislature lowered the employer(ER) contribution rate from 8.14%, which was the national average at that time for states with pension benefits and social security, to 5% which was well below the national average for such states. We, as employees in Minnesota, were paying 6.5% which was well above the employee national average. The 6.5% was lowered to the national average of 5%. At that time, **our pension fund was 108% funded.** To this day MN, as employer through our school districts, is not at the 8% funding level. Other states which have pensions and social security, **the national state employer average has grown to 12.2%!!** The 12.2% is paid by the district with money from the state and is based on the active employee's salary.

According to the U.S. Census reports, MN puts 2.25% of local and state general taxes into Minnesota Public Employee Pension Funds, while the national average for states with social security and pensions is 4.5%. Since 1998, MN has masked the growing deficit in our fund with investment returns, and several reforms such as eliminating the Rule of 90 and increasing the normal retirement age to 66 years, which is the nation's highest retirement age, to avoid high pension reductions. **Most states still have 30 years or the Rule of 90 for their normal age of retirement. Now our MN Legislature as the employer is considering a normal retirement age of 67—still the highest in the nation.**

Here is the secret the Legislature does not want you to know or talk about. According to the National Association of State Administrators, MN ranks 45th in the nation for not paying its full Annual Required Contribution (ARC) each year since 2001 for our TRA pension fund. Now, if you go to <http://publicplansdata.org/quickfactsbystate>, you will find as of 2014, **TRA is 77.1% funded and the percentage of the Annual Required Contribution (ARC) paid is only 74%.** This is creating the huge deficit the state as the employer, through money given to local districts, has created.

This year our Minnesota Management and Budget (MMB) department has a 2% employer increase in the pension bill stating this is all the state can afford. In reality, MN has a huge surplus, but it is not in our legislators' special interests to fully pay the Annual Required Contribution (ARC) for the TRA fund when they have been able to take loans from it for years! It's in their interests to give tax payers and corporations tax refunds as it helps get them to get re-elected, but it lets the TRA Fund and other funds grow a deficit for someone else, like folks on pensions to deal with in their retirement, and the teachers who come after us.

Please help get your friends on board with a REAM membership and **help educate your friends as to why they need to talk with and educate their legislators on the need to pay the full Annual Required Contribution (ARC) to our TRA pension fund each year.** The growing deficit, if not dealt with appropriately, will make it harder for the TRA Administrators to do their job; puts our state bonding rate at risk; impacts the growing teacher shortage in our state; and creates a problem for your buying power going forward.

Be informed! Get involved! Stay involved!!

Curt Hutchens was on the TRA Board for 20 years and has, during some of those years, served as chair of the TRA Board. He has served as president of REAM and continues to serve on the REAM Board.

Don't discard this issue of the REAM News.
Share it with a soon to be retiree or a retired non-REAM member. They need the information.
Ask them to join REAM.

2017 REAM UNIT CONTACTS

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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.*



REAM MEMORIAL/GIFT DONATION

I'm happy to enclose a \$ _____ gift to be used by REAM to carry forward the objectives of my organization, namely, the improvement of the civic, cultural, social, economic and professional status of its members;
(and/or)

I've enclosed a \$ _____ memorial in abiding memory of _____
of the _____ Chapter.

My Name _____ or Name of Chapter _____

Address _____
City State Zip

_____ Please do not print my name with
this gift/memorial in the **REAM News**

**Mail to REAM TREASURER, Gordon Wagner
317 Waite Ave. S., St. Cloud, MN 56301**