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ISUAA—serving annuitants and survivors since 1971

President's message

We wish to express our appreciation to the ISU Credit Union for sponsoring this newsletter. Read the cautionary information they provide to help protect you from phishing. If you want a good place to save your money or obtain a loan, contact them, and while you are there, thank them for their support of ISUAA.

It has been a busy legislative session with more than 5,000 bills introduced, 78 shell bills, and some joint resolutions and constitutional amendments to boot! SUAA has been busy reviewing these bills to determine which are of concern. A number of these bills contain provisions that impact pensions for current employees and benefits for annuitants. Of particular concern are bills that propose reducing pension benefits for current employees, eliminating the tuition discount program for current employees, and implementing substantial charges for retiree health premiums on a graduated scale based on total household income. See the "Legislative report" for more details.

While much of the action in the legislature was causing sleepless nights, some good news finally appeared on the horizon at the beginning of March. Eric Mediar, legal counsel to Senator Cullerton (D), Senate majority leader, issued a 76-page legal opinion on whether any of the proposed changes to employee/retiree pension benefits are constitutional. See "Legal opinions" to find out whether your pension will be at risk.

Senator Cullerton (D), majority leader in the Illinois Senate, gave a speech indicating that he thought the state needed to begin taxing retirement income for those with pensions above \$100,000 as part of a broader effort to update an outdated tax system in Illinois. The next day, following considerable resistance from those that might be affected, he clarified his comments and indicated that such an effort, if it were to occur, would require bipartisan support and that no such proposal was under consideration by the legislature. Stay tuned.

I am pleased that William Mabe, the new executive director of SURS, will be our special guest at the Annual Dinner on June 1. Mark your calendars and send in your registration now so you don't miss the deadline. We hope to see you there!

Finally, to add a little variety to your lives, I have added a small section called "Test your knowledge." Answer the three questions to see how you do. It may be a bit educational!

Larry Alferink

Legislative report

The tax increase the legislature passed in the January “lame-duck” session is expected to generate \$6.5–\$7 billion a year. The annual budget deficit for the past two years has been \$5.9–\$ 6.1 billion. The legislature also passed a bond issue to fund the pensions this year and a portion of this tax increase is earmarked to pay off this bond. In addition the state has a huge backlog of unpaid bills with debt in excess of \$12 billion and growing. This requires the state to make significant cuts to the budget. Thus there are numerous proposals that have been introduced that may negatively impact participants in SURS.

Representative Franks (D-Marengo) introduced House Bill 146 that would reduce pensions for some individuals by capping the salary on which the pension is based at \$106,800. This provision would apply retroactively to current employees. Previous contributions to SURS above this salary cap would not be refunded.

Representative Tom Cross, Republican leader in the House, has introduced a bill to implement the pension reforms advocated by the Commercial Club of Chicago. See also SB0105. (Given the complicated provisions of this bill, see the legal opinions section for details).

SB0029 would reduce the accrual rate for current employees to 2 percent per year of service for all service provided after July 1, 2011. It would be implemented by computing the accrued pension benefit before July 1 and then computing future service at the new rate. Presumably this would replace the money purchase formula for employees eligible to have the pension computed under this system and would reduce the yearly rate from 2.2 percent to 2 percent for all other employees. It would also compute pensions based on the highest eight consecutive years rather than the highest four.

Of special concern is the proposal by Senator Schoenberg (D) to begin charging retirees health insurance premiums. Senator Schoenberg has indicated that he expects this effort to generate substantial revenue. He has proposed that the premiums be graduated based on total household income. I am sure this proposal will be of great interest to those households receiving two state pensions as each pension will increase health premium costs for the other member of the household. (See the section on COGFA).

While no specific bill has been introduced, eyes should also be focused on discussions occurring in or directed at our nation’s capital. Newt Gingrich, former speaker of the House and possible Republican presidential candidate, has urged Congress to pass legislation allowing states to declare bankruptcy as a means of escaping serious budget problems created by issues such as significant underfunding of their pension systems. One reason this issue has generated some interest is that some worry that states will seek a federal bailout, and of course political issues also play a role. The proposal has some obvious unintended consequences should such a bill be passed. In addition to the fact that no state has asked for the ability to declare bankruptcy, even the introduction and certainly its passage would impact bond markets, and the increased risk that accompanies even the possibility of bankruptcy would likely increase the cost of borrowing for states like Illinois that have relied on bond markets to struggle through difficult times. For these reasons, the discussions that are occurring are being held relatively quietly among members of both parties. No bill has as yet been introduced. Watch this one carefully for obvious reasons.

This is only a sample of the most troublesome bills. Given current activity, it is likely that the situation will change considerably between when this newsletter goes to press and when you receive it. An update on legislation is available on the SUAA website.

Legal opinions

Sidley Austin LLP, a prominent Chicago law firm, issued a series of legal opinions detrimental to the interests of participants in SURS. They have argued that the future benefits of current employees can be altered by requiring them to choose among three alternatives. They could choose to continue in the current traditional plan, but with limited state contributions that would not support continuation of the plan or would increase their cost to remain in the system. They could opt for the new plan for individuals hired beginning this year. Or they could choose a 401k type plan. By making this choice, their argument is that employees would be agreeing to the terms of a new contract. The Sidley Austin proposal was strongly supported by the Civic Committee of the Commercial Club of Chicago, of which Sidley Austin is a member, and by the *Chicago Tribune*, also a member. Several other law firms that are members of the Commercial Club also signed on to the Sidley Austin opinion. These provisions were essentially incorporated in HB-149, introduced by Representative Tom Cross, Republican leader in the House (See “Legislative report”).

Sidley Austin also argued in a separate opinion that your pension is only guaranteed by the pension system and not by the state. If SURS were to go bankrupt, no further pension payments would be required except as could be supported by whatever ongoing income SURS receives.

After eight months of research, Eric Mediar, legal counsel to the Senate majority leader, issued a 76 page legal opinion. The opinion is very thorough in reviewing the history of the constitutional protections of state pensions provided by the 1970 Constitution, efforts by some to derail aspects of this protection that would

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have allowed changes to future benefits for current employees, the case law that followed the approval of the constitution by the citizens of Illinois, and a devastating critique of the legal opinions issued by Sidley Austin and promoted by the Commercial Club of Chicago. Mediar concludes that the pension clause of the 1970 Constitution established a contract that begins on the first day of employment that the state cannot unilaterally diminish or impair. This constitutional protection applies to the pensions of all current and retired employees. He takes particular care to explain why the future pensions of current employees cannot be changed for the worse. He indicates that this constitutional protection also includes certain benefits as well. This might include protection of health insurance in retirement and tuition waivers for the children of current employees. A Will County judge has already agreed that health insurance benefits are covered by the Illinois Constitution in a suit brought against the City of Joliet by four retired Joliet police officers and firefighters. Mediar's opinion can be obtained at www.illinoisenatedemocrats.com/images/pensions/D/Pension%20Clause%20Article%20Final.pdf.

While this represents the opinion of one attorney, it is important to note that several prominent retired judges have issued similar opinions, and Mediar's opinion has been endorsed by the Illinois Bar Association.

COGFA awards contract to study health insurance premiums for retirees

The Illinois Commission on Government Forecasting and Accountability (COGFA) has issued a contract for \$22,000 to Mercer. Mercer will survey other states to determine what is offered to retirees, private sector health insurance, ways to establish fees, including basing fees on total household income. The latter point is a political one driven by individuals that retire early, are employed in other jobs, and are not yet Medicare eligible. The report is due to COGFA between April 25 and May 2. Expect COGFA to issue a report and make a recommendation to the legislature on implementing health premium charges for retirees.

Political action support

In April you received a letter from Parker Lawlis, the local representative on the SUAAction Board of Directors. Lawlis explained the role of SUAAction and the challenges facing those advocating on behalf of annuitants. Lawlis requested a donation to help support political activity on your behalf. If you have not already sent your donation, please consider doing so now. It is not too late. Make your check payable to SUAAction and send to SUAAction, P.O. Box 11023, Springfield, IL 62791-1023.

Acafellaz perform for Spring Luncheon

ISUAA members were treated to a performance by Acafellaz, an all-male, a cappella student group. In addition members enjoyed a "spring green" theme with shamrocks as table centerpieces and key lime tart as a clearly enjoyed dessert.

Phishing: Don't be the bait

Phishing is the criminally fraudulent process of attempting to acquire sensitive information such as user names, passwords, and credit card information by masquerading as a trustworthy entity via email, phone, or text message.



How do I tell if an email is fraudulent?

Here are a few phrases to look for if you think an email message is fraudulent.

- *Verify your account*
- *If you do not respond within (specified time) your account will be closed*
- *Dear Valued Customer*
- *Click on the link below to gain access to your account*
- *Fill out our survey for \$\$\$\$*

Phishers tend to use emotional language as scare tactics or urgent requests such as those listed above to entice recipients to respond. However, no legitimate institution will ever ask you to verify information unless at your request or initiation. If you feel that your personal account information has been compromised, you should contact your financial institution immediately.

Gladly We Give

The Gladly We Give annual fund encourages faculty, staff, and retirees to give to scholarships, colleges, departments, and programs across the University. Gladly We Give focuses on annual participation among current and retired employees in support of their passion. Thank you to those who have already supported your passion this year. If you have not made a contribution this year, I hope that you will do so through Gladly We Give before June 30. Every gift matters and makes a difference! You can make your gift at IllinoisState.edu/GladlyWeGive or by sending in your Gladly We Give gift form to:

Illinois State University Foundation
Campus Box 8000
Normal, IL 61790-8000

For additional information contact Beth Snyder at (309) 438-5725 or bsnyder@IllinoisState.edu. Thank you for sharing your time, talents, and treasures with Illinois State University.

Senior Professionals summer programs

Close up: The Illinois Shakespeare Festival

Deb Alley, Artistic Director, Illinois Shakespeare Festival

Four sessions/\$45

June 16, 23, 30, and July 7

Time: 9:30 a.m. to 11:30 a.m.

First Annual Charles W. Bolen Memorial Lecture

A Life in the News: Business and American Journalism Now

Tom Ashbrook, host of NPR's daily interview and talk show, On Point

Free to the Public

Friday, June 24, 9:30–11:30 a.m., ISU Alumni Center

For more information on any of the classes or lectures, contact the Senior Professionals office at (309) 438-2818 or arvel@IllinoisState.edu.

Helping Hamper

By Jan Cook

The Helping Hamper for our June dinner will support the St. Vincent DePaul Food Pantry in Downtown Bloomington. They can use any canned or packaged food, coffee, or tea. They also appreciate our history of donating personal soap and deodorants to help folks stay presentable as they work or look for work in Illinois' steamy summer weather.

Our spring collection for the Salvation Army's Safe Harbor Shelter filled the hamper with food, especially cereals and coffee. Overflow included several dozen lip balm, personal care items for women, and two folding umbrellas.

Folding umbrellas? The resident who helped me unload welcomed even umbrellas. Mucky March weather leaves umbrellas in short supply.

Annuitants Association website

- Why join ISUAA
- History of ISUAA
- How to join
- Survivor assistance information
- Newsletters
- Parking on campus for retirees
- Meetings and events schedule
- Contacting your legislator
- Legislative platform

www.annuitants.ilstu.edu

David Doss, Web page coordinator



Annual meeting and dinner

The ISUAA annual meeting and dinner is scheduled for Wednesday, June 1, 2010, in the Brown Ballroom, Bone Student Center. William Mabe, the new executive director of SURS, will be the invited speaker. The program also will include a general update on ISUAA/SUAA business and election of officers and board members. The terms of Sharon Quiram, vice president; Sue Killian, treasurer; and David Doss, director, are expiring, and they will not be returning. Jude Boyer, a director is also completing her term but has agreed to be nominated to serve another term. Nominating Committee Chair Christ Schwelle will present the committee's slate of candidates. The chapter's distinguished service award will be presented as well.

This is the one event where ISUAA subsidizes the cost of the meal to encourage members to attend. The cost is only \$10. All members are encouraged to attend.

Test your knowledge

The General Assembly increased the state personal income tax from 3 to 5 percent and increased the corporate rate as well. Following this increase, the governors of Indiana and Wisconsin made statements welcoming businesses to their state to avoid paying the higher corporate taxes.

1. In which states will the executives of these businesses pay higher taxes—Illinois or Indiana? Illinois or Wisconsin?
2. Was the state budget (GRF) larger during last year (2010) under the Governor Quinn administration or during 1999, the last year of the Governor Edgar administration?

Answers are provided later in this newsletter.

Alferink interviewed about pensions on WJBC

Larry Alferink, ISUAA president, was interviewed by Susan Almeida on WJBC. His interview followed an interview of Dan Brady, Republican member of the House for the 88th District, on the same topic. Both interviews are available at wjbc.com/benefits-needed-to-attract-faculty and wjbc.com/representative-dan-brady-state-didnt-raid-pension-funds.

Retiree information hotline

Have a question? Need an answer? Don't know whom to contact? Call (309) 438-4311, the phone line answered by University Advancement just for retirees and surviving spouses. Staff will either direct you to the needed resource or take your name and number and have someone follow up with you.

How time flies

Ross Griffiths

50 Years Ago • 1961

- March—Bob Newhart and the Chad Mitchell Trio performed at Capen Auditorium on March 22. The *Vidette* reported that, according to Jack Benny, Newhart is the funniest comedian he has seen in the past 30 years.
- April—Applications for Admission to ISNU increased 27 percent over the previous year. Approximately 68 percent of students applying rank in the upper one third of their class; nearly 40 percent rank in the upper 10 percent of their class.
- May—In observance of the 100th anniversary of the start of the Civil War, the *Vidette* newspaper published a multipart special 1861–1961 centennial section, which included reprints of historic articles about the war's impact regionally and nationally.

25 Years Ago • 1986

- March—Illinois State required English 101 students to use a computer in the classroom. The cost of purchasing the equipment was covered by a \$30 technology fee.
- April—The Gamma Phi Circus celebrated its 50th anniversary shows with programs scheduled for April 18 and 19. The circus performed its first show in 1932, but interruptions during the war years and beyond marks the 1986 performance as the 50th.
- May—Fraternity rush, scheduled for August and September, was completely alcohol free. Following a vote by Illinois State fraternities, the year's "dry rush" may be repeated in the spring depending on its success.

15 Years Ago • 1996

- March—The Board of Trustees approves a campus improvement project that will include a new parking desk, a new Performing Arts Center, and renovations to residence halls. The board also approved an increase in the student health insurance fee from \$74.50–\$78 per year to address the rising costs of healthcare.
- April—Illinois State students joined stargazers across the region to observe the lunar eclipse on the night of April 3. A viewing session with telescopes was available at Ewing Park.
- May—The new Science Laboratory Building approached completion with a move-in date scheduled for July 1. Sol Shulman, an emeritus professor of chemistry at Illinois State, was the consultant for the building.

10 Years Ago • 2001

- March—Route drivers belonging to Teamsters Local 26 picketed the Girl's IHSA tournament to support their call for higher wages. Members cited substantially higher wages paid to University of Illinois route drivers and called on Illinois State President Vic Boschini to join in the negotiations.
- April—Prolific children's book author and illustrator, Stephen Kellogg, spoke at the Bone Student Center as part of a program for National Library Week. Kellogg, who was on a multicity tour, spoke about his career, which included publishing 110 books, and illustrated a story for young audience members.
- May—The Illinois State women's tennis team wins first place in the Missouri Valley Conference. The win gives the Redbirds a place at the NCAA tournament for the first time in Illinois State history.

In memoriam

Molly Arnold	8/5/2010
John Boyd.....	11/22/2010
Margaret Curry	2/9/2011
Jeanette Duzan.....	1/19/2011
John Fesler.....	1/10/2011
Vera Foster	1/10/2011
Mary Fuehrer	11/11/2010
Duane Hughes	2/25/2011
Judith Ijams	11/30/2011
William Jones.....	7/25/2010
Charles Kearfott.....	12/31/2010
Kelly Koertge.....	11/30/2010
Douglas Litwiller.....	1/2/2011
Mildred Moore.....	3/14/2011
Stanley Phillips.....	7/4/2010
Heinz Russelman	1/8/2011
Sol Shulman.....	12/10/2010
Ram Singh	3/8/2011
Herold Stern	12/17/2010
Joan Tutoky	2/26/2011
Rosia Weinberger.....	1/8/2011

University Club

Jude Boyer

Gourmet dinners: The following dates have been confirmed for the 2011–2012 Gourmet Dinners: Saturday, October 1, 2011; Saturday, October 29, 2011; Saturday, January 28, 2012; and Saturday, February 25, 2012. Menus and reservation details for the fall dinners will be available on the University Club website in August.

Discussion Hours: Discussion Hours are held on most Friday afternoons of the spring and fall semesters from 3:30 to 5:30 p.m. in the Faculty/Staff Commons of the Bone Student Center. Please join us for refreshments and lively conversation. Special discussion/information topics are noted on the University Club calendar on the website. There will be no Discussion Hours during the summer session; the first Discussion Hour of the fall semester will be Friday, August 26, 2011.

University Club is a great way to meet members of the University community. Membership is open to all current and retired faculty and staff of Illinois State University. Further details about the University Club may be found at www.uClub.ilstu.edu.

Several people who attended the January University Club Portuguese Gourmet Dinner expressed an interest in obtaining the recipe for the Portuguese bread soup with shrimp. The recipe can be seen on adjacent page, with thanks to Campus Dining Services.

Updated contact information for newly elected officials

The November elections resulted in some changes in our state and federal elected officials. Updated information about members of our legislature, our elected state officers, and members of Congress is posted at www.Annuitants.ilstu.edu/Legislative/CONTACTING%20YOUR%20STATE%20LEGISLATOR.pdf.

Answers to the “Test your knowledge” quiz

1. Taxes would be higher for the executives in Indiana and Wisconsin
2. The budget was larger during the last year of the Edgar administration.

Directory update: New information

Following is updated information for the 2010–2011 Annuitants Directory that you received in November. Please add it to your copy.

David Eaton
201A Lily Lane
Bloomington, IL 61701-7533
(309) 244-5460

Jean Pankonin,
jeanpankonin@frontiernet.net

Mary Liverman
(309) 452-4181
mliverman@myfrontiermail.com

Jan Beer
1351 Savall Circle
Jessieville, AR 71949-9467
(501) 984-4160

Cynthia Underwood
P. O. Box 233
Deer Creek, IL 61722-0233

Mary Zeller
mbzelle@frontier.com

Edna and John Johnston
2025 E. Lincoln, Apt. 3220
Bloomington, IL 61701
(309) 662-9158

Billie Howard
601 Lutz Road, Apt 2205
Bloomington, IL 61704
(309) 557-8240

Constance Tucker
1249 Harlem Blvd
Rockford, IL 61103-7130
(815) 968-1957

Michael A. Brunt
abby.george@frontier.com

Don Peterson
dlpeter@frontier.com

Please continue to let us know of any new information for the directory. When you update our records, you are also updating your information in the University telephone directory. You can check or change your telephone directory information through the iCampus website, or if you are unfamiliar with how to use this website, or do not have computer access, contact Linda Staley at (309) 438-2292.

Portuguese bread soup with shrimp

As prepared by Matthew Horton, chef, Campus Dining

5–6 medium servings

Ingredients: Soup

- 1 lb. large raw shrimp, save shells
- 1 lb. stale bread in large chunks
- 1 med. onion, thinly sliced
- 1 c. leeks, thinly sliced
- 5 T. olive oil
- ½ c. dry white wine
- 1 c. very ripe tomatoes, peeled, seeded, and coarsely chopped
- 6 garlic cloves, peeled and thinly sliced
- 1 t. ground coriander seeds
- 1 t. dried oregano
- freshly ground pepper, salt to taste
- ½ c. Spanish chorizo in ¾" slices
- 4 T. fresh chopped cilantro

Ingredients: Broth

- shells of the shrimp
- 1 sm. onion, peeled and quartered
- 1 sm. carrot, diced
- 1 bay leaf
- salt to taste

Directions: Broth

Put all ingredients in a saucepan with water to cover. Cook over low heat for 40 minutes

Directions: Soup

Soak bread crumbs in the stock. Let sit for five minutes until pieces are well soaked. Remove bread from liquid and squeeze it well with your hands. Set soaked bread aside on a plate. Save the stock.

Heat 2 T. olive oil in a saucepan over medium heat. Add the onions and leeks to saucepan and sauté gently until they begin to soften, about 10 minutes. Add the wine and cook until wine is reduced by half. Remove onion-leek mix to a plate and set aside. Retain liquid in a saucepan.

Return liquid in saucepan to stovetop. Add remaining 3 T. olive oil, tomatoes, garlic, and oregano. Cook over low heat until tomato volume is reduced by half. Add fresh ground pepper, ground coriander, and onion-leek mix to the tomatoes and cook for five more minutes. Add salt if desired.

Add squeezed bread to the tomato-leek mixture. Add enough stock to obtain a porridge-like soup texture. Cook for about 10 minutes, adding stock or water if necessary to maintain porridge-like soup texture.

Add shrimp and chorizo. Cook until shrimp turns pink. Sprinkle with fresh cilantro just before serving. You may drizzle a few drops of extra virgin olive oil on top.

ISUAA 2011 calendar

May 4 • 10–2 p.m.

Benefits Fair
Old Main Room, Bone Student Center

May 10 • 9–11 a.m.

Annual Retiree Reception
Student Fitness Center and McCormick Hall*
The lawn south of the Student Fitness Center and McCormick Hall

May 11 • 2–3:30 p.m.

ISUAA Board with Committee Chairs
Room 119, Alumni Center

June 1 • 5:30–7:30 p.m.

ISUAA Annual Meeting and Dinner*
Brown Ballroom, Bone Student Center

July 13 • 2–3:30 p.m.

ISUAA Board with Committee Chairs
Room 119, Alumni Center

To be announced

September Survivor Benefits Workshop*
Fall Luncheon

* Reservation required

ISUAA annual meeting and dinner reservation form

Featuring William Mabe, Executive Director of SURS

5:30–7:30 p.m., Wednesday, June 1, 2011

Brown Ballroom, Bone Student Center

Name(s) of those attending _____

Please reserve _____ meal(s) at \$10 each. A check for \$ _____ payable to ISUAA is enclosed.

Entrees

___ Chicken, potato salad, lettuce salad (family style) _____ (name)

___ Vegetable lasagna (plated) _____ (name)

___ Please indicate dietary restrictions _____ (name)

Fruit cup as dessert for those on dietary restriction.

Reservations must be received no later than Thursday, May 19. Please mail no later than Tuesday, May 17, to Shirlee Bottomley, 507 E. Taylor St., Bloomington, IL 61701-6101, or Dona Meador, 311 S. Towanda Ave. #4, Normal, IL 61761-6101.

Late reservations cannot be accepted.

ADDRESS SERVICE REQUESTED

Annuitants Association
Campus Box 8000
Normal, IL 61790-8000

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