

isuaa news

"ISUAA – serving annuitants and survivors since 1971"

2002-2003 Issue No. 3, February 1, 2003 Co-Editors, Jack Hobbs and Parker Lawlis

Illinois State Annuitants Association Newsletter
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PRESIDENT'S MESSAGE **"Financial Woes of the State of Illinois"**

Governor Blagojevich has the challenge of dealing with the state's \$2.5-\$5 billion budget deficit. We can all be affected by this news. Members of ISUAA have been meeting with our local representatives to explain how our pensions may be affected by the under-funding of SURS. All of us should contact Representative Dan Brady, and State Senators Bill Brady and Dan Rutherford.

I would like to thank a number of people for their support of duties, which they have been assigned.

First, the Strategic Long Range committee: Eugene Irving, David Strand, George Tuttle and Edna Johnston have developed a plan for our local organization which is the first to be developed by any of the local chapters in the State. Thanks to them for a great job.

The Survivors' Advocacy Team (Eugene Irving, chr.) continues to amaze me with their dedication to survivors of deceased members; they are always available to calm the needs of our people.

The Membership Committee (Don Kachur, chr.) has done a good job again; we now have 863 dues-paying members.

Thanks to the Hospitality Committee (Barb Glenn, chr.) for their work at the Holiday Luncheon. Clare House sent a "thank you" for the food and money donated at the luncheon.

ISUAA Directory (Donna Jean Meador/Shirley Bottomley, Co-chrs) was mailed to all members in November. Thanks to Donna Jean and Shirley and the staffers.

Christ Schwelle has agreed to be our representative on the SUAA Foundation Committee, thanks to Christ for giving of his time to the SUAA.

Inside:

<i>President's message</i>	<i>page 1</i>
<i>SUAA executive committee</i>	<i>page 2</i>
<i>Events & opportunities</i>	<i>page 2</i>
<i>Legislative report</i>	<i>page 2</i>
<i>Legislative agenda</i>	<i>page 3</i>
<i>Family campaign</i>	<i>pages 3-4</i>
<i>ISUAA's donation</i>	<i>page 4</i>
<i>Computer store</i>	<i>page 5</i>
<i>Recent deaths</i>	<i>page 6</i>

2003-2004 SUAA EXECUTIVE COMMITTEE

SUAA President Bob Harper, SIU, has asked that ISUAA nominate candidates for the 2003-2004 Executive Committee. If anyone would be interested contact me as soon as possible so we can submit your name to SUAA. ISU has had a history of being "the leader of the pack" at the state level. We need your help to continue this tradition.

COMING EVENTS and OPPORTUNITIES

- The March Board Meeting of SUAA will be held on the ISU campus Tuesday, March 11, 2003 at the Bone Student Center. Any one interested in helping for a few hours on the 11th will be welcome.
- The ISUAA Board meeting will be held on Wednesday, March 19, 2003 at the Spotlight Room, Bone Student Center at 2:00 p.m.

ISUAA Strategic Plan:

The Strategic Plan is divided into 5 Priority Clusters. The first is activities related directly to legislative goals which motivated the creation of SUAA and which remain the primary focus of the Association and its chapters. They refer to direct contact between chapter leaders and members, and legislators. This will be accomplished by meeting face to face with local legislators and aides to apprise them of SUAA legislative agendas and retiree issues.

Meetings with campus administrators

Members of ISUAA need to meet with campus administrators to apprise them of the SUAA and SURS legislative

agendas. The local chapter should be assigned a member to monitor political activity by our local legislators. I am looking for a volunteer to assume this task.

LEGISLATIVE REPORT By Tom Wilson

The SUAA Legislative Priorities are printed on the next page of this newsletter. This is going to be a tough year. The budget deficit for FY03 (ending on June 30) will be about 3 billion dollars. The estimated number keeps changing. Unfortunately, it gets larger each time it changes.

The Bush tax plan, if approved, will further diminish state revenues. With a few exceptions, Illinois applies its income tax to the same items as the federal government. A notable exception is the exemption of pension income from the Illinois income tax. While Illinois could continue to tax dividends even if they are exempted from the federal tax, it is unlikely the State would do so.

In contacting state legislators and executive officials about our legislative priorities, I believe we should say that we recognize the difficult financial position of the State of Illinois. Therefore, we are seeking only low-cost improvements to long-standing problems in 2003. We agree to put on hold other necessary but more costly improvements, such as raising the benefit for current and future survivors from 50% to 60% of the deceased retiree's pension.

Happy (?) New Year!

2003 SUAA LEGISLATIVE AGENDA

The State Universities Annuity Association supports benefit improvements for retirees and survivors of the State Universities Retirement System.

SURVIVOR BENEFITS

Death Benefit – Increase the SURS death benefit from \$1,000 to \$5,000. The benefit has been at \$1,000 since 1959. SURS has indicated that the cost of this benefit is negligible.

HEALTH INSURANCE

Dependent Premium Assistance – Seek a reduction in the dependent's payment for the Community College Health Insurance Program (CCHIP). At present dependents over age 65 without Medicare pay over \$10,000 per year. Even those with Medicare pay over \$3,000. The CCHIP currently has a surplus of about 3 million dollars to easily cover 50% of the dependent premium in fiscal year 2004.

Medicare Premium – Seek State payment of the Medicare Part B premium for those affected by the Social Security Offsets and/or who receive less than \$100 a month from Social Security. The State's cost for health insurance is reduced by about 70% for those who have Medicare but individuals must pay \$58.70 per month for Medicare B. In addition, the State has made no effort to allow retirees to pay for medical expenses with pre-tax dollars (as actives are allowed to do) so the cost for retirees is actually about \$90 per month (this assumes that income taxes take about 1/3 of the \$90). SUAA will continue to support the elimination of the Social Security offsets and would support ending State payments for Medicare B when the punitive and illogical Federal offsets are eliminated.

RETIREE BENEFITS

Inflation Protection - In a unified effort under IRLAC, promote the passage of the

previously agreed upon increase for those who retired before 1980. The benefit formula was substantially improved for those who retired after 12/31/97; for example, those with 20 years of service received about a 20% increase. While there was recognition that those who retired before 1998 deserved some equity increase, nothing has been done. In fact, the State has reneged on its agreement to at least improve the benefit for pre-1980 retirees and their survivors. Because the death rate of the target population is very high, the estimated accrued liability for SURS is now about \$20 million.

GENERAL

Funding - SUAA urges our members, as well as all SURS actives, to support the actuarially certified funding for the retirement system for fiscal year 2004, which begins July 1, 2003. Many actives think this is a problem only for retirees, whereas in reality the problem of future funding is most important for those now working. Currently, Illinois ranks among the worst five states in funding for its retirement systems. This is largely the result of the State's failure to make its required contributions to the retirement systems before 1996.

WHY GIVE TO THE FAMILY CAMPAIGN?

By Patricia M. Grogg, Co-Chair of the Family Campaign

When a retiree is asked to contribute to the University as a donor, he or she might say, "Look, I have contributed. I contributed blood, sweat, and tears. I contributed my teaching skills (or my management skills or my maintenance skills or whatever the case might be) to the University for over 30 years. I've already made my gift. I gave myself."

Exactly.

Retirees did give themselves to Illinois State, which is why we have the University garnering accolades today. Retirees created departments where none existed; lots of us still remember when the Colleges were formed. Retirees



planned dormitories, organized student groups, developed curriculum, cooked meals, cleaned rooms, kept things working, met student needs, and on and on.

The University would not be where it is without us. And it's for that reason that many of us are stepping up to affirm the legacy we helped build. Annuitants Association President Parker Lawlis recently presented a check in the amount of \$1000.00 from the Association to University President Victor Boschini and Vice President Susan Kern. That check is a symbol of the Association's support the Family Campaign (which is part of the Redefining "normal" comprehensive campaign.)

As Dr. Kern said in accepting the check, "They (annuitants) built Illinois State, and now they are helping to build the University's future as well."

Recent gifts to the Family Campaign from annuitants include a paid up insurance policy (a fairly painless

transfer, but a most valuable gift!), and a check for \$10,000 (an individual's gift to a current project in the department where she forged her own career.) Each of us who has not yet pledged or contributed to the Family Campaign will be invited in March to make a commitment. Each individual must determine what action he or she should take.

As of today, only about 9% of retirees have contributed to the Family Campaign, versus about 15% of current faculty and staff. I'd love to see us double, or even triple, our percentage. Why not lead the University community in supporting financially the institution, which has so richly benefited from our contributions of energy, time, and talent?

Serving on the Retirees Advisory Council to the Family Campaign are: Duffy Bass, Charlie Bolen, Betty Chapman, Richard Erzen, Linda Herman, Eileen Kanzler, Parker Lawlis, Frank Matsler, Barbara Perry, Sharon Quiram, Pete Whitmer, and Dave Wiant.

This group exemplifies the contributions of time, talent, and money that continue to make the University great.

**TECHZONE COMPUTER
STORE**
Andy Schweizer

If you are interested in purchasing a new computer, be sure to visit TechZone. TechZone is the ISU computer store located in Bone Student Center, Second Floor-East Lounge. TechZone is owned and operated by the University as a service to all members of the University community.

- Obtain personalized assistance in evaluating the type of computer that meets your needs.
- Buy direct from the manufacturer at faculty/staff/student pricing. TechZone has contracts with Dell, Apple, Gateway, CDW-G and Crucial Technology. Whether you're looking for a complete new system, supplies,

peripherals or software be sure to Come See Us Before You Buy!

- TechZone offers an optional setup/configuration service for those who don't "enjoy" configuring a new computer from scratch! For only \$40 TechZone configures your new computer with everything you need to check your email and get online - quickly! Eliminate the endless hours and hassles of configuring a new computer.

If you are interested in this service, please contact Andy Schweizer (ajschwe@ilstu.edu), TechZone manager for an appointment at 438-3172. www.techzone.ilstu.org



WE REGRET TO REPORT THE DEATHS OF:

Ralph A. Elliott	October 20 th , 2002
Mary L. O'Rourke	October 30 th , 2002
Ellen Davis Kelly	November 12 th , 2002
Dorothy Richardson Struck Young	November 14 th , 2002
Sarah Fox	November 22 nd , 2002
Roger Dean Blomgren	December 4 th , 2002
Virginia R. Ridenour	December 5 th , 2002
Marshall Miller, Jr	December 15 th , 2002
Florence M. Gaede	December 17 th , 2002
William H. Sullivan	December 31 st , 2002
Julie Ann Darling	January 8 th , 2003

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