

isuaa news

“ISUAA – serving annuitants and survivors since 1971”

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Co-Editors, Jack Hobbs and Parker Lawlis

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PRESIDENT’S MESSAGE **Parker Lawlis**

It is a privilege to serve as the President of the Illinois State University Annuitants Association. We are completing the first year of the two-year term. So many of you have contributed to the success of the activities and programs. Thanks to all for your support, encouragement and contributions.

There is a need for all of us to be concerned about the State of Illinois financial woes. The way things seem to be going, the crisis is not over yet. As we all know, our pensions, the 3% increase per year and the health insurance come from Springfield. Our legislature and the governor have many "fish to fry" when it comes to balancing the budget. Each of us needs to become more active in the process by contacting the local representatives: Senators Bill Brady and Dan Rutherford and Representative Dan Brady. ISUAA chapter representatives have met with them early in May to discuss our concerns.

SUAA is becoming much more active for our benefit as the executive director will be a full time position and

the legislative consultant has been added to the staff. This along with computerization can alert our chapter to impending and pertinent legislative activity in Springfield.

The ISUAA Chapter is going to make one "big" effort to entice those who have not joined as dues paying members to do so. They will receive this Newsletter as well as an invitation to

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join the more than 900 dues paying members. If you see a fellow retiree, ask if they are members of ISUAA, we need

all to belong to get the most out of the effort.

President Victor J. Boschini is leaving for Texas Christian University and Al Bowman has been named to the interim position as President. We all wish President Boschini well and are looking forward to working with Al Bowman. Plan to attend the President's Reception on May 13th.

ISUAA ANNUAL SPRING MEETING

The Annual Spring Meeting of ISUAA will be Wednesday, June 4, 2003 in the Ballroom of Bone Student Center at 5:00 p.m. The price is \$10.50 per Person. The fresh grille buffet - menu is grilled marinated breast of chicken and shredded BBQ pork served with Kaiser rolls, American Potato Salad, Calico Cole Slaw, Boston Baked Beans, condiments, sliced American and Swiss cheese, sliced tomatoes and sliced Bermuda onions. We will have cookies and Chocolate Iced Brownies and Coffee, and Iced Tea. Reservations are to be mailed to: Barb Glenn, 57 Ravenwood, Bloomington, Il. 61704 by June 1, 2003.

TEE BIRD GOLF ORGANIZATION MEETING

The Tee Bird Golf organization meeting is scheduled for May 15th at the Faculty Commons in Bone Center. We are planning to have about 40 players again this year. Play will be at Royal Links except for a couple days during the summer at ISU. Play starts on May 22nd. Contact Frank Matsler fmatsler@ilstu.edu. Frank and the rest of the committee would appreciate some good help with events this year. Many

organizers from last year are unable to continue to be in the leadership roles. HELP!!!

Illinois State University Golf Course Fee

The retiree program did not change from last year: 10 9-hole rounds for \$50, valid M-Th excluding holidays. The change that some of your group may be interested in is the M-TH Pass (\$450). This is now valid on F-S-S-H after 2:00pm with a \$10 co-pay green fee.

IS YOUR PENSION AT RISK? by Dave Wiant

The issue is very clear!! The Governor wants to invade the Pension Systems to diminish the States payment to the Systems because of the State's Revenue shortfall. He also wants to terminate Board Appointments, and replace the Directors with his own appointments. Simply stated, he wants to manage YOUR pension System with his people to solve his budget problems.

I know from my experience as Legislative Liaison for SURS in the late 80's and early 90's that without the strong support of the Annuitants, our pension system is used and abused at the discretion of the General Assembly.

It was with the strong support of the Annuitants that in the late 80's and early 90's we were able to pass the 3% compounding legislation that brought about the 3% annual increase in your current annuity and not 3% of your initial annuity. Also, it assisted us in getting SB 95 passed. That legislation brought about the level-funding plan which was designed to compel the State of Illinois to fulfill its obligations to us and eliminate the unfunded accrued liability.

Shortly after this legislation was enacted into law (PA88-0593), the State of Illinois changed the reporting of investments and required that they be reported at market value and not acquisition cost. This then enabled the State to use the appreciated value of the SURS investments, which were purchased with our contributions, to reduce the State's unfunded liability based upon the formula incorporated in SB 95.

Now with the market value having diminished, the SURS assets fell from \$12.1 billion to \$9.8 billion ending June 30th last year, thus actually increasing the States obligation under PA 88-0593. It would appear then that they are now borrowing the money but hoping that we can pay it back out of earnings from the investment of some of these dollars.

The House and Senate have passed the legislation that would enable the State to borrow up to \$10 billion in low interest Bonds. About two billion of that amount would be used to pay the States annual obligation under the law to the Pensions Systems

The remaining \$8 billion would be invested by the Systems and HOPEFULLY earn sufficient income to pay the cost of borrowing and provide long-term income. Such financial endeavors are very unpredictable.

Bottom line!!! We each have a property interest in the State Universities Retirement System. We need to let our local legislators know that we expect them to abide by the prudent person rule when it comes to enacting legislation, managing and fulfilling the State commitment to the States Pension funds.

Please see Tom Wilson's Legislative update in this issue and then send a note to Senator Brady and Representative Brady and let them know you care about

the Pension system, which legislation we support, and expect them to abide by the funding requirements of the law without risking the assets of our Pension Systems.

LEGISLATIVE REPORT

Tom Wilson, Legislative Co-chair

State Legislation

As most of you know, we've been working on three bills in the Illinois Legislature this spring.

HB 3511-Boards and Commissions.

We oppose this bill unless the Retirement Systems are amended out of the bill. This bill allows the Governor to appoint the Executive Director of SURS and the other State retirement systems. There is already enough political pressure on the retirement systems without giving this additional power to the Governor.

SB 0588-Purchase Power Increase.

SUAA supports passage of this legislation. This would provide an additional benefit for those who retired before 1980.

SB 0589- Increase Death Benefit.

SUAA supports passage of this legislation. The Death benefit has been \$1,000 since 1959. The increase to \$5,000 is easily justified.

Any contact you can make with legislators on these bills would be appreciated!!!

Local addresses and telephone numbers for members of the Illinois General Assembly can be found at <http://www.legis.state.il.us/> and choose Legislator Lookup. You can choose to

search by address and all you need to enter is your complete zip code.

That same website allows you to type in the number of any bill as SBxxxx or HBxxxx. You can scroll down and read the status and fiscal notes about each bill. The estimate on the numbers of beneficiaries and costs for SB 588 is down by about 40% from the original numbers which still appear on the website.

For SB 589 we might emphasize to legislators that this is a "final expense" for the retirement system if there is no survivor. Even if there is a survivor, the pension is cut in half so in a few months the State will have recovered the cost of the death benefit. With the death benefit we might also emphasize that the greatest benefit is to those with low pensions since the benefit is a flat amount and not a percent of the pension.

National Legislation

At the federal level, we have been working to revise Social Security Law by eliminating the so-called "windfall" provision and the government pension offset. The two bills that call for total elimination are: House Bill 594 and Senate Bill 349. Some other bills provide a reduction in the offset. Sometimes I feel we neglect our retirees living in States other than Illinois, but on this issue contacting your US Senators and US Representative would certainly be appreciated.

I might add if those of you living out of State can think of ways that we can help you, please feel free to contact us. My email address is twilso@ilstu.edu. If you have information on Retirement Systems or benefits in the State where you now live that might be useful to us, we would appreciate the information.

THINGS TO KNOW ABOUT SURVIVING SPOUSES AND HEALTH BENEFITS.

By Edna Johnston

When a retiree of the State Universities Retirement System (SURS) dies, his or her state health insurance coverage stops on the day of death. If the surviving spouse was a "covered dependent" on the retiree's insurance, SURS or Central Management Services (CMS, the State insurance management agency) will inform the survivor that his/her health insurance has ended. This notice can be very frightening and threatening to a widow/widower who is already distressed by the loss of his/her spouse. If the surviving spouse is eligible (*) for survivor benefits, he/she may apply for enrollment in the state health plan using the form supplied by SURS.

The completed enrollment form is submitted by the surviving spouse to SURS and is forwarded to the office of Central Management Services (CMS) and the insurance provider (CIGNA, the Quality Care provider at this time or the selected HMO) where the surviving spouse is enrolled in the insurance plan.

Processing the enrollment may take a few weeks. During this time the CMS records may not be updated with the survivor's insurance information. Therefore, it may appear that the survivor has no insurance when a pharmacist or doctor's office checks for the record. The surviving spouse will know that the enrollment process has been completed when new insurance cards are received by mail.

Pharmaceutical and medical expenses incurred by the surviving spouse during the enrollment period are reimbursable. Receipts must be saved

and a reimbursement form requested from SURS. ISU Human Resources Office has the forms. Directions for reimbursement request appear on the reimbursement form.

(*) Insurance Eligibility: Similarities and differences among the three SURS retirement plans—Traditional, Portable, and Self Managed—are numerous enough that classification of insurance eligibility in each plan is impossible in this article.

SURS member Representatives (benefits counselors) can answer questions about eligibility. Member Representatives can be reached at 1-800-ASK SURS (1-800-275-7877).

LONG TERM CARE INSURANCE

The Midwest Retirement Group (MRG) based in Jacksonville, Illinois is now marketing long Term Care Insurance. This is a change from LTCI Partners. The new organization has 11 full time representatives throughout the state and has been marketing LTC to associations for 10 years. We anticipate the following changes during the next several months. Additional representatives will be appointed in Champaign and Chicago area. All SUAA members will receive a mailing announcing changes and enhancements. All 5,000 potential SUAA members will be mailed twice each year. In addition to the original SUAA LTC plan, our members will have an opportunity to enroll in John Hancock Custom Care Plan, one of the top LTC products in the industry. The Midwest Retirement Group will provide workshops for members and prospective members at all active chapters.

ISUAA STRATEGIC PLAN

The Strategic Plan is divided into 5 Priority Clusters:

The first consists of 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.

The second consists of activities that strengthen SUAA and its efforts to influence legislators as well as develop and promote new and continuing programs of benefits for members and other retirees of the SURS, viz.:

Maintain the chapter's award-winning membership profile and continue to increase its membership and decrease dropouts. Continue to encourage and provide support to its membership committee as it pursues its charge to increase membership. Explore the most appropriate manner for chapter officials to work with campus benefits staff to make pre-retirees aware of the benefits of joining SUAA and the chapter.

Explore the appropriateness of seeking ways to cooperate and collaborate with local groups interested in retiree issues.

The three other priority clusters will be reviewed in the next newsletter.

SUAA DUES INCREASE

The SUAA portion of your dues will increase 50 cents per month from the current \$15 to \$21 per year. This will pay for (1) continued and increased support for SUAA legislative priorities including more legislative contacts by

SUAA legislative chairs, legislative consultant, and executive director who will be able to alert chapter legislative chairs, (2) completing the establishment of a chapter at every eligible institution and thereby expanding our membership base, (3) continually improve communications through a regularly updated web site, focused newsletter and increased chapter contacts (4) provide better and more timely membership legislative materials for chapter use (5) increasing the time of the executive director to a full time position and (6) increased costs of postage, printing, and supplies.

ISUAA has not raised the local dues for the coming year. Thus, the dues for July 1, 2003-2004 will be: Retiree \$25, Retiree and Spouse \$46, Surviving Spouse \$25 and Pre-Retiree \$25

ISU ALUMNI LEGISLATIVE BREAKFAST

All alumni in the State of Illinois are invited to the Illinois State University Alumni Association's traditional Legislative Breakfast: Tuesday, May 13, 2003, 7:30 – 9 a.m. Room 403 of the Illinois State Library Corner of Capitol and 2nd, Springfield. The breakfast is an annual opportunity for Illinois State alumni and campus administrators to meet with members of the Illinois General Assembly to promote their continued support of Illinois State University.

IMPORTANT DATES FOR YOUR CALENDAR

May 13, 2003-Tuesday--President's Reception at the University Residence on Gregory, 3:00-5:00 p.m. The event

will be hosted by Illinois State University President Victor J. Boschini, Jr., and will be his last with us before he leaves to become chancellor of Texas Christian University.

May 14, 2003-Wednesday--ISUAA Board Meeting, Spotlight Room, Bone Student Center, 2:00-5:00 p.m. "All Board Members"

June 4, 2003-Wednesday--Annual ISUAA Dinner, Ballroom, BSC, 5:00 p.m.

June 11 & 12, 2003, Annual Meeting of SUAA, Springfield, Il. "Any member that would like to attend."

July 16, 2003 -Wednesday--ISUAA Board Meeting, Spotlight Room, Bone Student Center, 2:00-5:00 p.m. "All Board Members"

REBIRD CARD FOR ANNUITANTS

Annuitants and survivors can obtain the ARedbird Card@ on the second floor of the Bone Student Center. The card will assist you with ISU activities. Survivors need to contact Jan Beer, Human Resources, for a letter to present at the Acard@ office for identification.

Braden Rebates

If you haven't already done so, submit your Braden rebate request to Sue Lock (Phone No. 438-8843), Office of Human Resources, ISU, Campus Box 1300, Normal, IL 61790-1300.

For your additional reference, Ms. Locke's email address is sdlocke@ilstu.edu