



**HAPPY NEW YEAR – WISHING YOU
PEACE & JOY IN 2011**

Newsletter

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IMPORTANT - GSRA Legislative Day – January 25, 2011

GSRA members with e-mail addresses recently received an “ACTION ALERT” about our “stepped-up” efforts to persuade General Assembly members to address some of the concerns expressed by retirees. There are two critical events scheduled **January 25, 2011 that need your participation** —

- Meet and greet your legislators from 11:00 a.m. – 4:00p.m. at the Capitol;
- Reception, co-hosted with the Georgia County Welfare Association, for General Assembly members from 5:00 to 7:00 p.m. at the Old Train Depot.

A registration form is included with the Action Alert and posted to the GSRA website. ***Please review the Alert and join us on January 25. ONLY YOU can make GSRA a success on this day.***

GSRA Reflections – GSRA President

Happy New Year to All! As we look to 2011, GSRA goals have not changed a great deal, but we have moved forward in pursuit of our goals. We have a new Governor and many new Legislative members for the upcoming two-year session. The GSRA Officers and Board are acutely aware of the educational requirement to orient the new leaders of the need to fulfill the promises made to retirees during their working careers.

You can help and are needed to help with the education process by contacting your legislators about issues. But most importantly, you can help by attending one or both of the events on January 25th. GSRA has distributed an Action Alert about the communication day and the reception. If you are a member of a local chapter, your officers have also contacted you about the 25th. You are the best representative to explain the retiree issues, so go today to your computer and “sign-up.” Legislative recognition of GSRA will be greatly enhanced and our impact improved if you participate and contact your legislators.

Let me mention just a few points about the Legislative Session, and the news that all of the legislators are hearing. Elections for the House of Representatives and Senators are held every two years with the resultant Session considered a series of meetings during the following two-years after the election. In our case, the upcoming Session is considered to be the 2011-2012 General Assembly Session.

The importance of the two years is that any legislation that doesn't pass both Houses during the 2011 session will

be carried forward to the 2012 session for passage. Also retirement legislation that has a cost impact must be introduced during the first 20 legislative days of the first year, i.e. no later than the 20th legislative day of the 2011 session that begins on January 10th.

Your Legislative Committee Co-Chairs and I attended the 27th Biennial Institute for Georgia Legislators in December. Not only were there updates on the FY 2011 and FY 2012 budget and revenue issues, but briefings about Georgia's Economic Outlook, the Behavioral and Mental Health Litigation Settlement, the Tri-State Water Update, Ethics legislation and requirements, Health Care Reform, and a report from the Special Council on Tax Reform and Fairness were presented. Simply looking at the issues above, we recognize the daunting task that Governor-Elect Deal and the new Legislature will be addressing.

All parties who have spoken about the budget, projected revenue and economic outlook have been fairly negative about Georgia's financial health during FY 2011 and FY 2012. Much of the pessimism stems from the fact that the Federal funds that were used by Georgia in FY 2009 and FY 2010 will no longer be available during FY 2012. Sarah Beth Gehl from the Georgia Budget and Policy Institute stated at our annual meeting that the FY 2012 projected shortfall is estimated at \$1.8 to \$2 billion.

The Department of Community Health requested a small increase in the employer contribution to the SHBP in the amended FY 2011, and the Employees Retirement System is requesting an increase in employer contributions

from 10.41% to 11.63 (1.22%) for old and new plan members. The increase for SHBP was contemplated when the CY 2011 premiums were approved. The retirement contribution increase is a necessity to meet the State's Annual Required Contribution (ARC)—it **does not fund** a COLA. GSRA supports these increases. GSRA will monitor the budget process closely to inform you of any changes in the already underfunded health plan and insufficiently funded for COLAs in our retirement plan.

As the Behavioral and Mental Health Settlement is implemented, additional funds for Human Services will be required. The Settlement Agreement is expected to require an increased FY 2012 budget of \$250,000, according to documents provided to the legislators—although we anticipate this litigation to cost much more.

The legislative members were also briefed about the impact of the national Health Care Reform legislation. Most of the State's financial requirements for the Reform will be delayed into FY 2013 and beyond; however, the legislature will be required to address many policy issues in 2011 and 2012.

Regardless of the Revenue and Budget issues, GSRA remains committed to the following goals:

- Obtaining from ERS, contact information for retirees who authorize release of such information;
- Continuation and adequate funding of health care benefits for active employees and teachers and all retirees;
- Transparency in board and administrative decision making for health insurance;
- Adequate funding for adjustments to all state funded retirees' pensions to compensate for loss in purchasing power.

GSRA remains opposed to:

- Legislation that expands risky types of investment alternatives;
- Taxing food, drugs and medical services;
- Legislation decisions that limits retiree options in the health insurance options;
- Administrative decisions that eliminate any state subsidy to retiree health insurance premiums for options other than the Medicare Advantage Plan; and
- Legislation that establishes an insurable interest in public employees' lives with funds taken from the pension plans to fund the insurance.

Year 2011 will be a time of intense GSRA monitoring of elective and administrative decisions while educating the decision-makers about GSRA goals. A couple of our volunteer GSRA Legislative Committee members will register as lobbyists in order to comply with new, stricter laws, to enhance their effectiveness with legislators, and to "highlight" affiliation with GSRA. In addition, the Legislative Committee has been expanded to include volunteers who will help review legislation and monitor assigned committee hearings. We will continue to work with representatives of other associations and collaborate as appropriate.

How can you help?

Talk with your local legislative representatives and tell them about your concerns. You may not be able to get commitment about increased funding, but unless you tell them of your concerns, the many other voices asking for a share of the State revenue will drown out our voices. The following information may be helpful in talking with your elected officials.

[Obtaining Retiree Contact Information from ERS](#)

GSRA's ability to inform retirees about aspects of retirement life is predicated on having access to retiree contact information. GSRA supports legislation to allow ERS to provide contact information (name, address, phone number and e-mail address) on retirees who have authorized release of their contact information.

[Adequate funding of health insurance benefits for active employees and teachers and retirees](#)

During FY 2010, the State Health Benefit Plan Reserves were **totally depleted**—even to the point that reserves for the Incurred But Not Reported (IBNR) claims were not funded. The employers' contributions to the SHBP were cut to such an extent that approximately \$1 billion of reserves (OPEB reserves, IBNR reserves, and Fund Balance) was eliminated from the Plan. Based on the "unaudited" financial report as of June 30, 2010 the Current Asset Balance was \$87.3 million with current liabilities of \$68.9 and an IBNR liability of \$212.6 million, leaving the net reserve at **\$-194.3 million**. Stated in terms of cash to meet monthly benefit obligations, the Department of Community Health expenditure reports show that \$56 million is required each week to pay all expenses. Therefore, as of the first of FY 2011, the assets

covered only a little over one (1) week of cost. The reports show that the SHBP is “broke.”

GSRA urges elected officials to adequately fund the SHBP for active employees (including legislators), teachers, and retirees. In addition, GSRA urges elected officials to fund the range of options to provide retirees with more than just the Medicare Advantage Plan choice.

[Transparency in Decision-Making Regarding Health Insurance](#)

Major policies are announced by Department of Community Health staff without review and/or advice in a public forum. Transparency is non-existent when changes to the benefit schedules or premium policies are announced. For example, policies to eliminate all state contributions to retiree premiums (except for the Medicare Advantage Plan) and to discontinue retiree premiums that reflect a reduced cost to the SHBP when Medicare is the primary payer were announced and implemented without any input from member representatives. To promote transparency and independent decision making, GSRA supports legislation requiring a Health Benefits Advisory Committee of knowledgeable active and retired member representatives and state departmental and local school management representatives to advise the DCH staff and Board.

[Support DCH and ERS Budget Request for Increased Funding](#)

A small increase in the employer contribution for the SHBP was incorporated in the financial projections when the member premiums were approved for CY 2011. GSRA supports this funding increase in the Amended FY 2011.

The State’s ERS actuary has reported that the employer contribution rate must be increased by 1.22% to adequately fund the Annual Required Contribution during FY 2012. GSRA supports this funding increase and encourages the Governor and Legislature to add the funds to the FY 2012 employer rate.

[Long-Term Goal for Adequate Funding for Pension Adjustments](#)

Employee Retirement System (ERS) funding is insufficient to provide adjustments for loss in retiree purchasing power. The reduction in employer contributions to the ERS in the early 2000’s has resulted in the funded percentage of the trust fund dropping from over 100% to 85.4% in 2009. While it is only equitable that all retirees in State supported retirement systems receive ongoing cost of living adjustments to preserve purchasing power, GSA recognizes the current fiscal crisis and accepts that additional funding to ERS for this purpose will be delayed until revenues return to acceptable levels.

As you will note, addressing the many issues is daunting. However, our volunteers will continue to monitor proposed legislation and make you aware of any bills that would allow our pension funds to be placed at risk or that may further limit retiree health insurance options.

During the Legislative Session, we will work with individual legislative members to develop their support and sponsorship for the issues that require legislation. Your help by talking to your local representatives is invaluable.

Thank you for your trust and support in the upcoming year.

-----BJ Bennett, President

Legislative Committee

Most legislation is filed and introduced after the General Assembly Session begins, which is January 10, 2011. However, there is a provision to allow legislators to “pre-file” bills. The website for the General Assembly shows that 31 bills and 10 resolutions have been filed with the Clerk of the House of Representatives. A great majority of these bills were filed by one Representative. It is interesting that one of the pre-filed bills prohibit any persons in the employ of or under contract with the

executive or judicial branch of this state or any political subdivision of this state from addressing any committee or subcommittee of the General Assembly.

There are only three (3) Senate bills and one (1) Senate resolution pre-filed. Of general interest may be a bill creating a Legislative Sunset Advisory Subcommittee to review all state agencies at least every eight (8) years. Unless specifically renewed, the agency (board) would stand abolished at the end of the then fiscal year.

Other Post-Employment Benefits (OPEB) Report Released

The State Health Benefit Plan FY 2009 actuarial OPEB report shows a total accrued liability for retiree health care at \$16.4 billion. The good news is that the accrued liability is down from \$16.6 billion (by \$200 million) in FY 2008. The bad news is that only a percentage of the Annual Required Contribution was received in FY 2009. The very bad news is that in FY 2010 previously contributed reserves—investments were liquidated.

As discussed in several GSRA newsletters, the Governmental Accounting Standards Board (GASB) requires public plans to measure the accrued liability of retiree health insurance in much the same way that pension plans are valued. To accommodate the multiemployers, two trust accounts have been established for the SHBP—State Employees and School Personnel.

The State Employees trust fund covers retirees for all state agencies, judicial and legislative bodies and community health boards; the School Personnel trust fund includes all teachers and other employees of the public school systems and libraries. Each trust fund is reported separately. The accrued liability for post-retirement health insurance for the two trust funds is shown below.

Accrued Liability- Health Insurance (millions)		
	FY 2009	FY 2008
State Employee	\$ 4,520.9	\$ 4,672.8
School Personnel	11,900.5	11,952.0
Total	\$ 16,421.4	\$16,624.8

GASB requires a public employer to value each year’s Annual Required Contribution (ARC) for OPEB. There are two components of the ARC amount—contribution for post-retirement benefits for currently working employees and contribution for benefits for current retirees—usually referred to as “accrued liability.” The FY 2009 ARC amount and the actual contribution with the percentage of the ARC amount that was contributed are shown below.

Annual Required Contribution – FY 2009 (thousands)		
	State	School
Required Contribution	\$ 387,790.1	\$1,290,050.2
Actual Contribution	170,789.7	303,348.2
Percentage of Required Amount	44.0%	23.5%

As of June 30, 2009, the actuarial value of dedicated assets for the OPEB State Employees trust fund was \$136,932,084 and for the OPEB School Personnel trust fund was \$33,805,176. These contributions were placed in trust and long-term investments during FY 2007 –FY 2009, but were liquidated at a 15% market loss and used to pay retiree expenditures during FY 2010. Usage of these trust funds is included in the \$1 billion reduction that was discussed in the section on “[Adequate Funding for Health Insurance.](#)”

GSRA Markets at State Personnel Conference

GSRA Education Committee members joined Savannah local chapter members in December to market GSRA at the state personnel officers’ annual conference. The objective was to educate conference attendees about and extend an invitation to active human resource professionals to join GSRA. Our representatives report that the conference was very successful.

Darnetta Simalton, Harold Grindle, and Savannah local chapter members hosted a GSRA Exhibit and joined vendors from health insurance providers training groups and human resource and management consultants during the Human Resource Exposition portion of the conference. GSRA’s marketing approach was to highlight the value of information provided through monitoring legislative and administrative actions while advocating for retirement and health insurance benefits for retirees and active employees.

The Conference Moderator asked each of the exhibitors to address the Council about their services. The GSRA representatives discussed the services and goals of GSRA, eligibility for membership and why human resources professions should be interested in GSRA. They also challenged the conferees to help with the work to address needs of active and retired state employees by joining GSRA and letting their voices be heard about issues that affect the wellbeing of the workforce. The conferees demonstrated increased awareness of the Association and expressed appreciation for GSRA’s informative publications.

Success was measured by conferees becoming GSRA members. New memberships totaled nine at the meeting and eighteen promises to join through the website.

GSRA thanks the Council president, Craig Southern, for inviting the Association to highlight its services.

Association Member Benefit Advisors (AMBA)

GSRA contracted with Association Member Benefits Advisors (AMBA) to provide a menu of "Members Only" benefits for GSRA members. AMBA represents hundreds of organizations like GSRA and is a nationwide full-service agency focused on plan design, negotiations, and implementation of benefits for associations. AMBA provides expertise in evaluating benefits and providers to assist GSRA in obtaining quality benefits with flexible choices for members.

Our website shows all the products, including discounts programs, that are offered to our members. However, Long-term Care Insurance is one of the products that is very individualized and requires that a representative discuss the product with potential purchasers. The AMBA representative usually works within a specific geographic area and may contact all retirees in that area by phone to determine if the retiree is interested in the product. Some of our members have expressed concern about being contacted by an AMBA representative. Make sure that the representative identifies himself as a representative of AMBA – GSRA contractor. If you are not interested in the product, simply inform the representative of that fact. While GSRA is not “pushing” you to enroll for long-term care insurance, many of our members are interested in the product and it is the best plan in this product that GSRA could offer you.

News from GSRA Local Chapters

The twentieth local GSRA Chapter has adopted bylaws and begun operations in Athens, GA. So all of you who live in and around Athens, please visit the local chapter and consider joining. There are no additional dues for the local chapter—just fun and information sharing. The GSRA website includes the contact person for the new chapter.

NW GEORGIA Local GSRA Chapter Closes 2010

The NW Georgia Local GSRA Chapter met on October 28th. President Herren encouraged members to mark their calendars for each fourth Thursday in every month during 2011.

The local chapter conducted two surveys—one regarding chapter activities and the other for legislative priorities. Most members agreed that location, frequency, and length of the meetings of the local chapter were satisfactory and information that is being furnished by the chapter is useful. Information on benefits, lobbying, insurance issues, etc. was ranked as most helpful most often. ALL respondents indicated that they will continue

to keep up their GSRA membership and over half wanted to participate in a "day" at the Capitol.

The legislative priorities for the NW Georgia chapter members are to support adequate employer contributions to the ERS; equity in benefits among the various state sponsored retirement systems; improve the operating practices of and representation on the Board of Community Health and ERS; support greater involvement of the Legislative retirement committees in recommending employer and employee contribution rates to the respective Appropriations Committees. The NW Georgia chapter opposes legislation that expands risky types of investment alternatives for the retirement fund.

Has Your GSRA Membership Expired? Renew Today!

Just go to www.mygsra.com and point to the “Join Us” button, then click on “GSRA – Membership Renewal”. Update your personal information on the next page if you need to, and then click “Submit” at the bottom. On the next page, click on “Credit Card” and follow the instructions. As a reminder, spouses are welcome and encouraged to register.

Don't use credit cards online?

Just click on the “Send Check” option and follow the instructions carefully. Don't forget: Make sure your full name and mailing address, plus the words “MEMBERSHIP RENEWAL are on the check, payable to “Georgia State Retirees Association” and send the check to: GSRA, PO Box 2391, Newnan, GA 30264

If you receive GSRA newsletters by US Mail and not by computer, your membership expiration date is shown above your name on the mailing label. Please renew on time by following the check-mailing instructions above. If the expiration date shown on your mailing label is incorrect, drop a note to: GSRA, PO Box 108, Bethlehem, GA 30620 Keep your membership current! Don't miss out on important news and events!!

Residents of Thirteen Atlanta Metro Counties SAVE \$25 BY AVOIDING EMISSIONS CONTROL TEST IN 2011!!

If your vehicle is a 1988-2009 model year gasoline-powered car or light-duty truck (8,500 pounds gross vehicle weight rating or less) registered in Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas Fayette, Forsyth, Fulton, Gwinnett, Henry Paulding or Rockdale County, you are required to have it tested for emissions in 2011 in order to obtain your registration and tag renewal sticker from the Department of Revenue. However, you can gain an exemption as a senior from this requirement. The quote from website <http://www.cleanairforce.com/motorists/seniorexemptions.php> is:

Waivers, Extensions, Exemptions: Senior Exemptions

In order to qualify for a Senior Exemption, you must meet the following requirements:

1. You are 65 years of age.
2. Your vehicle is 10 model years old or older. For 2011, this includes all 2001 and older model year vehicles. For 2010, this includes all 2000 and older model year vehicles.
3. You do not drive over 5,000 miles per year. The vehicle's odometer must be in working condition.
4. You are the primary registered vehicle owner (your name is the first listed on the vehicle title/registration).

When applying for a Senior Exemption, provide the following documents. Additional information may be required in order to process the Senior Exemption. Please note that GCAF only accepts documentation in English; documents in other languages will not be accepted.

1. Proof of age. Examples include a copy of your driver's license or birth certificate.
2. Proof of ownership, which can be one of the following: Last year's tag receipt, this year's registration renewal notice, or the Georgia title.
3. Complete Senior Exemption Application.

Note: A proxy may submit the completed Senior Exemption Application and necessary documentation for eligible seniors. If submitting by proxy, the application must be completed and signed by the proxy. The proxy must also submit a copy of their driver's license.

Please allow three (3) business days for processing faxed or e-mailed applications. For mailed applications please note, the US Postal Service may extend the time of delivery. Once received, mailed applications with supporting documentation will be processed in three (3) business days. Motorists will be contacted once the waiver has been processed.

So, for those of you who qualify, have a Happy New Year by saving \$25!

Does GSRA Have Your Correct Contact Information?

Please be sure to update your email address with GSRA when it changes. Simply log in to www.mygsra.com using your old email address and password; select "Our Members" and "My Profile", and then change your information using the "edit" feature.

If your mailing address changes, and you do not use a computer, please notify us of your new address by sending a card or letter to the address at the bottom of this page.

GSRA President Appoints 2011 Committee Chair Persons

At the December Board meeting, President Bennett appointed the following Board or Policy & Operations Committee members to the Standing Committees:

Legislative Co-Chairs	Bill Tomlinson Chuck Freedman
Membership	Reuben Lasseter
Communication	Beth Morgan
Education	Harold Grindle
Audit	Ronnie Messimer
Website Maintenance	Harvey Nation

These individuals along with the Officers, the Board, and 15 other committee members devote many hours to GSRA activities. These individuals are truly dedicated

public servants. Kudos for “hard work” also go to the 80 to 100 local chapter officers and committee members. As President, I extend our thanks on behalf of the GSRA membership to the hard work that these dedicated individuals have contributed.

We also express appreciation for the many hours devoted to GSRA by our 2010 Communications Chair, Zelda White. She will be missed, but her activities took her in a different direction.

The GSRA Officers and Board thank the individuals who volunteered their services to work with the Association. There were 18 individuals who offered their services to help. They will be assigned to various committees.

WE WISH YOU A HAPPY AND SUCCESSFUL NEW YEAR