



GSRA Brings 2017 Annual Meeting to West Georgia

Perfect fall weather, a beautiful venue, and a strong program were the key elements in this year's successful Annual Meeting. Convening for the first time in Columbus, GSRA members, partners, presenters and vendors were treated to a great facility at the Columbus Convention and Trade Center in the Historic Iron Works on the Riverwalk. Leadership from both the Department of Community Health and ERS, plus top leadership from the Legislature and Deal Administration provided presentations of utmost interest to state employees and educators, both active and retired.

Participants from around the state met in Columbus on October 16-17. After picking up their registration bags, attendees could visit vendor booths or peruse the long table of door prizes in the lobby of the convention center before convening in the auditorium for the first afternoon's presentations.



Members view the many great door prizes available and distribute their tickets to the prizes of their choice



Members check out the AMBA vendor display

Following the Presentation of Colors by the Ft. Benning Color Guard and the welcome and announcements by GSRA President Kip Mann and Annual Meeting Committee Chair Allan Hill, the first presenters were Department of Community Health Commissioner Frank Berry and State Health Benefit Plan Chief Jeff Rickman. Commissioner Berry stressed his deep belief in public service and asked retirees to use their years of experience to help get more young people interested in careers in the public sector. He then turned to his top three priorities for his agency: 1) Teamwork; 2) Customer Service; 3) Communication. He said his agency, specifically the SHBP, will be ready to handle whatever they need to regardless of what happens at the federal level on the Affordable Care Act and he committed to keeping SHBP rates as low as possible. SHBP Chief Jeff Rickman followed with an overview of the Open Enrollment process.

Next, State Senator Greg Kirk of Americus, member of the Senate Insurance and Labor Committee, and State Representative Richard Smith of Columbus, Chairman of the House Insurance Committee, presented an overview of HB 71, a bill designed to protect health insurance consumers from surprise billing by providers. Senator Kirk provided his insight as a mental health care provider on issues that started with managed care in the 90s that led, in part, to the situation today where patients sometimes receive bills months later from providers they knew nothing about at the time they were receiving services. In his view of the current situation, his priority is to consumers first, followed by providers, then insurance companies. Representative Smith, author of the bill, started his presentation with an analogy of the

situation, which he said was like him giving someone a car and keys, then several weeks later sending them a bill for what he thought the car was worth. He noted strong opposition from some providers to the bill and said that the Medical Association of Georgia sent its members an email saying that HB 71 was the most vicious attack on Georgia doctors in 10 years. One of the important protections in the bill requires that if a doctor has “exclusive” privileges at a hospital, said doctor must be in the same network as the hospital and insurance companies must accept the doctor in that network. Other important points are that providers must bill within 90 days of the service provided and allow customers 90 days to negotiate payment, and if arbitration is necessary, both the provider and customer will split the cost. GSRA, as well as our coalition organizations, has been working closely with Rep. Smith and Sen. Renee Unterman to support the objectives of the bill.



Representative Richard Smith addresses the Annual Meeting

Closing out the first day’s General Session, GSRA’s Legislative Committee Chair Chuck Freedman and GSRA’s contractual Legislative Liaison, Chuck Clay, provided a legislative update. Chuck Freedman noted that GSRA had been a big influence in helping to stop the ERS pension funding decline, as well as obtaining one-time pension benefits for the past two years. He noted that GSRA’s President, Kip Mann, and Pres-Elect, Steve Herndon, have had productive meetings with both the House and Senate Appropriations Committees chairs regarding GSRA’s top pension benefit goals: restoration of COLAs and pension funding restored to the maximum level. Chuck Clay followed up by noting the strides GSRA has made in being recognized by the legislature

and made a plea for members to get to know their own elected officials and make them aware of our concerns.



Members and vendors enjoyed food and fellowship at the welcome reception

Immediately following the General Session, participants could attend one of four concurrent workshops, *Local Chapter Officers Training*, *Benefits of GSRA Membership*, *Get Healthy Georgia*, and *Money Talk 101*, or a tour of the Springer Opera House, before reconvening in the lobby later that evening for a welcome reception featuring entertainment by the Jazz Group from the Columbus State University Schwob School of Music and heavy hors d'oeuvres and a cash bar.

Day two of the Annual Meeting began with a brief General Session for announcements followed by two rounds of concurrent workshops: *The Basics: Memory Loss, Dementia & Alzheimer's*, *Estate Planning and Elder Law*, *Finding Time for Fitness and Social Security – What You Should Know*. Following those, attendees enjoyed a box lunch in the auditorium where a panel of administration leadership consisting of ERS Board Chairman Lonice Barrett and ERS Executive Director Jim Potvin, CFO and OPB Director Teresa MacCartney, and legislative leadership, House Appropriations Committee Chairman Terry England, and Senate Appropriations Committee Chairman Jack Hill, provided their perspectives on Georgia's issues and outlook for 2018. A

detailed look at the panel's presentations follows in a separate article below.



CFO and Director of OPB Teresa MacCartney, House Appropriations Committee Chairman Terry England and Senate Appropriations Committee Chairman Jack Hill participate in the panel discussion

Next, current GSRA President Kip Mann reiterated GSRA's accomplishments over the past year, including the one-time ERS adjustment and the SHBP Advisory Committee. He was followed by incoming GSRA President Steve Herndon, who led the business meeting portion of the program, including elections for new officers and board members, as well as laying out his vision for his term as President. Following that, Allan Hill returned to the podium to provide Master of Ceremony duties as the much anticipated door prize drawings got underway.

The 2017 Annual Meeting will be remembered for providing opportunities for GSRA members living on the western side of the state to conveniently attend, for showcasing a great venue and town, and for giving members the chance to hear from influential state leadership about state issues that affect us all. GSRA thanks all the presenters who took their time to address us, all the vendors who participated, our partners, APCU, BCBSGa and UHC, who help us so much, the local chapters for procuring and providing outstanding door prizes, and, most of all, our members who came!

**GSRA Day at the Capitol
January 31, 2018**

Georgia Retiree Issues and Outlook for 2018

Central to the Annual Meeting presentations was a panel discussion the second day by key members of the Deal Administration and the Legislature relative to the Issues and Outlook for 2018-2019. The participants were ERS Board Chairman Lonice Barrett, ERS Executive Director Jim Potvin, Georgia's CFO & Director of OPB Teresa McCartney, Senate Appropriations Committee Chairman Jack Hill, and House Appropriations Committee Chairman Terry England.

ERS Board Chairman Barrett explained that the seven-member Employees Retirement System Board had a broad range of expertise. The ex officio members of the Board are State Auditor, State Treasurer, and Administrative Services Commissioner (representing the state human resources system). In addition, two previous state employees, an appointee by the Governor, and an outside investment advisor join the ex officio members. All board members and their resumes can be viewed on the [ERS website](#).

The Board's main objective is to keep the systems financially healthy for employees and to assure that, from an actuarial perspective, promised benefits are available for all of the retirees. Barrett gave the example that New Jersey is \$135 billion short in funding its liabilities and that Georgia is among the 14 states that currently have a AAA bond rating. Having the highest bond rating allows Georgia to sell bonds at a lower interest rate and thereby provide funds for new educational building, etc.

Following Chairman Barrett, Executive Director Jim Potvin stated that the ERS actuarially determined funded percentage for ERS was 104% in 2002 but had dropped to 89% in 2008 and to 71.4% by 2013. In 2015, the Board (along with State leadership) adopted a funding policy with a goal to raise the funded percentage to 100% in 25 years. This policy followed the various Governors and Legislatures supporting the ERS by doubling the state funds contributed to the ERS over these years. Investment returns were projected at 7.5% over these 25 years, and has been attained during the last 5 years, although the investment return for FY 2017 is 12.4%. Potvin stated that there were few bills in the 2017 General Assembly that affected the ERS. However, there was a bill to enable state employees to make

Roth contributions to 401(k) and 457 plans operated on behalf of the employees.

Potvin stated that FY 2017 was the eighth year without a cost-of-living adjustments for employees. The 13th checks (one-time adjustment) during 2016 and 2017 are a direct response to conversations held by GSRA and the state leadership about the COLA. No one thinks that the job is done, but these checks are tangible evidence that people are looking out for ERS retirees. He also stated that the systems had paid out \$3 Billion more than received in revenue since the 2008 recession. A 3% COLA would require \$42 million yearly or \$350 million in total.

Georgia's CFO Theresa MacCartney addressed the issue of "Why no COLAs or salary increases in FY 2019" with strong gains in revenue (taxes). The 2008-2009 crash hammered the state and emptied the reserves. There were employee furloughs, no salary increases given, prisons closed, and population growths during this period. The revenue has gotten back to the 2008 level in 2015. In 2008, Georgia was the 10th largest state and by now, it is the 8th largest state. The Medicaid population growth has been from 17% to 22% during this period. In FY 2019, approximately \$375 million will be required for the increasing needs of the Teachers Retirement System. Although the revenue growth is \$800 to \$900 million, there is not much flexibility for salary increases or COLAs for FY 2019.

House Appropriations Chair, Terry England stated that all of us want to see safety and long term stability of the ERS Fund. We want to make sure that funds are available to pay retirement benefit when due. We are seeing required funding increases to keep up with retirement payments. In line with what Ms. MacCartney stated about growth and revenue, we have seen Kentucky lose its AAA bond rating because the state did not contribute the required amounts for retirement. During the 2008-2009 recession, Georgia's cash hole came quickly and deeply. While we got some help from the federal government, it required reducing expenditures also. Some states raised taxes, but Georgia did not—everyone joined together to keep our AAA bond rating by reducing expenses.

Senate Appropriations Chair, Jack Hill, thanked the retirees who actively worked during Georgia's 1994 flood and the 2008-2009 recession—times when the State needed hard-working, dedicated people to lift the State. The State's population and college enrollment has grown substantially since the 2008-2009 recession. There will be much said about retirement plans over the next several years with some reforms being implemented. One of the issues to be considered over the next several years will be to seek support for an increase in the percentage of match funds for the 401(k) plans.

The panel group then turned the discussion to a Questions & Answers format. Several members vigorously expressed their desire for a COLA in their retirement benefit. Ms. MacCartney stated that the Governor has supported the increase in the OPEB funding to about \$1 billion for the State Health Benefit Plan.

There was hope stressed that retirees will not feel turmoil in the health care area such as being discussed in the Affordable Care Act. Rep. England stated that it is really tough to assure that medical providers are in all rural facilities.

The members thanked the panel for its support and for discussing the issues with the GSRA members. It is always a pleasure to hear from this group of state leaders, even though the GSRA membership continues with frustration about the lack of COLAs since 2008.



Kip's View: Working Together for the Benefit of All

The theme of this year's Annual Meeting, *Working Together for the Benefit of All*, was exemplified by those state officials who attended and spoke to our membership at the Annual Meeting this year. Commissioner Frank Berry from the Georgia Department of Community Health, as well as Board Chair Lonice Barrett and Executive Director Jim Potvin from the Employees' Retirement System of Georgia presented their philosophy and guiding principles for the coming year, explaining factors that influenced their decisions. It was refreshing to hear frank discussions of issues affecting state retirees in the all-important areas of health care and retirement benefits.

Leadership in the state budget development process also presented issues that they will face in the upcoming session. OPB Director Teresa MacCartney presented issues facing the Governor and the Legislature in the upcoming session and solicited questions from the audience. House Appropriations Chair Rep. Terry England and Senate Appropriations Chair Sen. Jack Hill were supportive of past years' efforts to provide assistance to ERS retirees through two separate one-time adjustments to retiree's benefits.

Questions and comments from those in attendance

reflected thanks for the one-time adjustments, but expressed concerns that ERS retirees needed more support in keeping pace with inflation and with other state retirement systems in Georgia. GSRA supports efforts to maintain the solvency and stability of all retirement systems operated by the State of Georgia. GSRA also supports a plan to move the ERS Retirement System to a position of being able to grant cost of living increases to all retirees under its care.

GSRA must be the voice for all retirees between now and the next legislative session in January 2018 to accomplish these goals. Please work with me and incoming GSRA President Steve Herndon to accomplish this goal. And make plans to attend GSRA Day at the Capitol on January 31, 2018, and the Legislative Reception that evening in the Empire Room of the Floyd Building. It is through this type of commitment that GSRA works to achieve goals for all state retirees.

Thank you for your help! It won't happen without your commitment and involvement.

Kip

GSRA Officers and Board Members for 2018

During the Business Meeting portion of the 2017 Annual Meeting, members in attendance were presented with nominations and voted on new officers/board members for the 2018 calendar year.

Officers	Local Chapter Representatives
Steve Herndon, President	Sam Shepherd, Central Metro (North Ga)
Jim Sommerville, President-Elect	Allan Hill, Savannah Coastal (East Ga)
Currently Unfilled, Secretary	Bob Pollock, Albany (West Ga)
Harold Grindle, Treasurer	Lynell Hayes, Thomasville (South Ga)
At-Large Board Members	
Janet Blackmon	
Joy Evans	
Ernie Melton	
Chuck Freedman	
Cindy Tharp	
Gloria Jack	

2% Social Security Benefit Boost – 2018

The Social Security Administration recently announced that the Social Security benefit will increase 2% in 2018 as a result of the increase in consumer prices during the last year. The increase will average \$25 per month and will be the largest increase since 2012.

Even with the 2% increase, the Medicare Part B premium will probably increase, leaving a very small increase (if any) in the net monthly benefit.



Eva Stevenson, one of many happy door prize winners!



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Endorsed Benefits

The Georgia State Retirees Association (GSRA) makes many member only benefits available to its members. GSRA endorses the following member benefits:

- Long Term Care / Home Health Care Policy
- Cancer Treatment Policy
- Life Insurance
- Medicare Supplement Insurance
- Medical Air Services Association (MASA)
- Identity Theft Protection
- Travel Discounts
- Hotel Discounts
- Car Rental Discounts
- Computer Discounts
- Tax-Deferred Annuity

Review your benefits at: www.myAMBAbenefits.info/gsra

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