



Newsletter

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December 2017

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***GSRA Day at the Capitol
GSRA/GPHSA Legislative Reception
January 31, 2017***

Annual Meeting Questions Answered

As part of the format for our Annual Meeting, members were asked to write down their questions for speakers and presenters, so we could submit them to the presenters for replies that would be published in our newsletter at a later date. Questions were submitted in two general categories: Health Care and Retirement Benefits. The questions and their responses are provided below:

Health Care

Mr. Jeff Rickman, Division Chief, State Health Benefit Plan, responded to questions directed toward him and Commissioner Frank Berry of the Department of Community Health regarding health care.

1. How will health care benefits change if the Affordable Care Act is repealed?

A. Will we still have essential health care benefits?

“A full repeal of ACA would not require a change in essential benefits offered. The ultimate decision of any changes to SHBP plans from changing current ACA requirements would reside with the DCH Board.”

B. Will a cap on life-time benefits return?

“A full repeal of ACA would not require a return of any prior lifetime caps. However, the ultimate decision of any changes to SHBP plans from changing current ACA requirements would reside with the DCH Board.”

2. How much does the State subsidize the Medicare Advantage plan offered to SHBP members?

“The subsidy varies depending upon plan selected, enrollment in Part B, and/or hire date (and years of service at retirement). Focusing on the vast majority of retirees enrolled in Part B who are subject to the basic subsidy policy, the 2018 Program subsidizes approximately 76% of the UHC Standard MA plan premium and approximately 48% of the UHC Premium MA plan premium. The dollar subsidies in the BCBS options match those noted for UHC.”

3. If you have: Tri-Care -For-Life do you need a Medicare Advantage Plan?

"You do not need a Medicare Advantage Plan; but you may need to purchase a Part D prescription drug supplemental plan."

4. Are there plans to use the SHBP Consumer Advisory Council differently than in the past? Will the Council be used as a sounding board for ways the plan can be improved before changes are implemented?

"Consistent with the Council's enabling legislation, House Resolution 1382 (2016), SHBP does and will take member recommendations under advisement as the state considers SHBP plan design, overall strategies, and membership communications."

Retirement Benefits

Questions in this area were submitted to the following presenters: Mr. Lonice Barrett, Chair, ERS Board of Trustees; Mr. Jim Potvin, Executive Director, Employees Retirement System of Georgia; Mr. Terry England, Chair, House Appropriations Committee; Mr. Jack Hill, Chair, Senate Appropriations Committee; and Ms. Teresa MacCartney, Executive Director and Chief Financial Officer, Governor's Office of Planning and Budget.

Here are the questions and answers from each respondent:

Jim Potvin, Executive Director, Employees Retirement System of Georgia, responded:

"After consultation with Lonice and the other Board members, I have noted ERS responses to your members' questions below."

1. Are you willing to do a study to determine ways to fund a COLA for ERS retirees?

"COLA's have been a major topic of discussion and analysis for the General Assembly, the Administration, and the ERS Board and staff for several years now. ERS is committed to continuing to facilitate and support those conversations however we can; we would consider committing resources to a study if: (a) the question(s) posed in the study could be reasonably expected to lead to new insights and information that we collectively don't

already have available to us, and (b) if the study methodology placed COLA's in their proper context of being one part of the larger ERS financial picture."

2. Are you willing to participate and provide information if a House/Senate Study Committee is formed to review current retirement systems available to state retirees and make recommendations for consolidating them or at least making them consistent or equitable?

"ERS has historically made a point (and will continue) to cooperate with and support the General Assembly in all of their retirement-related questions and data requests, to the extent we are permitted to do so by statute, whether those requests come from a single elected member, one of their staff in their research or budget offices, or a formal Study Committee."

3. What priority does ERS Board place on language in OCGA 40-2-29 (a) which states in part "the board of trustees is authorized to adopt a method of providing for postretirement benefit adjustments for the purpose of maintaining essentially no less purchasing power for a beneficiary in his postretirement years"?

"This code section contemplates a worthy and significant objective for the Board to consider, and the Board recognizes the importance to and impact of their COLA decisions on our retirees. Decades ago, the Board did adopt a method of providing for COLA's when they elected to make such benefit adjustments on an annual, ad hoc basis and pay for them after they were implemented. The code section, however, is flexible enough to give the Board discretion in its approval of such adjustments. First, it states the Board is "authorized", not mandated, to provide COLA's. Second, the same code section also provides in part that "Such method shall be based upon ... [m]aintaining the actuarial soundness of the retirement system ..." [O.C.G.A. 47-2-29(a)(2)]. It has been the Board's judgment in recent years that the expense of providing COLA's would have placed too much risk on the actuarial soundness of the system, and the Board does not want to do anything to damage or jeopardize the security of the system's basic retirement benefit for current and future retirees."

4. What impact would an increase in 401k contributions by the employer and/or employee have on current retiree benefits and the actuarial status of ERS?

“Changes to 401(k) contributions by employers and employees would have no impact on current retirees, as neither retirees nor employers are permitted to make contributions to a 401(k) plan for a retiree. Nor would changes to 401(k) contributions have any impact on the actuarial status of the ERS pension plan, since a 401(k) plan is a completely separate plan. 401(k) assets are in no way included as part of ERS pension plan actuarial / funding calculations.”

Terry England, House Appropriations Committee Chair, responded to the following questions:

1. Are you willing to request the formation a House/Senate Study Committee to review current retirement systems available to state retirees and make recommendations for consolidating them or at least making them consistent?

“While it would appear it would be able to combine all of the systems into one super system, it would be if not completely nearly impossible. The make-up of each system is completely different with employees that have different requirements, but also different payer mixes. While TRS and ERS may look very similar, they are both quite different. TRS has a large share put in the system with local funds, where ERS is primarily state with some federal funds. I think it much more important to continue to insure the health of the individual systems so they remain for those that follow each of us in the future which is what we have been working to do. If we were starting from new with a system, it would be possible to make them consistent; however at this point several decades into their existence doing so might help some, but would stand the chance of hurting many beyond repair.”

2. What priority should ERS Board place on language in OCGA 40-2-29 (a) which states in part “the board of trustees is authorized to adopt a method of providing for postretirement benefit adjustments for the purpose of maintaining essentially no less

purchasing power for a beneficiary in his postretirement years”?

“Is authorized is much different than shall. The framers of the original legislation I think had great foresight to allow the Boards to manage based on the health of their systems and not place undue burdens in their path. Imagine what the fund balance would look like today had the statute said “shall” – the conversation would be totally different. I think the current board places much weight on their charge there, but I know they place more emphasis on getting and keeping the plan healthy and surviving long term as they should. I think this is easily witnessed by their policy created recently laying out a process and triggers for when a COLA would be given.”

3. Are there plans to change the TRS retirement plan as has been done with ERS?

“No changes will come this Session to TRS. There will likely be some discussion of ideas; however, due to our rules related to changing retirement systems and benefits, any changes have to be proposed during the first year of our two year term to be considered for a vote in the second year. This coming session will be the second year. This allows ample time for the actuary to study the impacts of proposed legislation during the “off time” between sessions.”

Jack Hill, Senate Appropriations Committee Chair responded:

1. Are you willing to request the formation a House/Senate Study Committee to review current retirement systems available to state retirees and make recommendations for consolidating them or at least making them consistent?

“I am interested in a commission on the future of TRS. That could include ERS.”

2. What priority should ERS Board place on language in OCGA 40-2-29 (a) which states in part “the board of trustees is authorized to adopt a method of providing for postretirement benefit adjustments for the purpose of maintaining essentially no less

purchasing power for a beneficiary in his postretirement years”?

“That is up to the [ERS] Board.”

3. Are there plans to change the TRS retirement plan as has been done with ERS?

“I am convinced there will be changes in TRS.”

As of publication of this newsletter, Teresa MacCartney, Executive Director of OPB and Chief Financial Officer has not responded to the following questions (If a response is received, it will be published in a later edition):

1. Is there any interest on the part of the Governor to form a study committee to review retirement issues facing all state retirees regardless of state retirement system from which they retired and to map a plan for achieving equity of benefits while maintaining the bond rating of the state?

2. Would the Governor be interested in discussing a way to develop a plan to provide a small cost of living adjustment sooner than the current plan for achieving 100% of funded liability which might produce a limited COLA in 10 years or so?

GSRA Board Ratifies 2018/2019 Goals and Objectives

GSRA’s specific outcomes for the current legislative session are to:

1. Enhance ERS Retirees Benefits by:
 - a. Providing **\$76.05 million** of state funds (\$117 million total including federal matching funds) in the **FY 2019 Budget** to provide a 1% COLA to ERS retirees beginning on July 1, 2018.
 - b. Seeking legislative affirmation that the ERS Board is authorized to add annually a percentage of a minimum of **.45%** to the ADEC (Actuarially Determined Employer Contribution) to help pay down the unfunded liability of the ERS retirement fund.
2. Attain a **3%** pay raise for all active state employees and teachers.
3. Maintain SHBP benefits at the current level with minimal increased cost (both premiums and out of pocket expenses).
4. Support passage of legislation that protects against surprise medical billing for patients when receiving medical care from an in-network provider in an in-network facility even if other medical personnel may be out-of-network contract employees.

Be ready to respond to Action Alerts, which will help us achieve these goals!



Kip's View: It Has Been an Honor!

It has been my honor and pleasure to serve as President of GSRA for the past two years. I have worked with a lot of talented individuals, who long ago made the decision to enter state employment, dedicated their work years to providing services to Georgia's citizens, and then retired from state service. Being President these past two years has allowed me to continue this spirit of service into retirement, and for that I thank the Georgia State Retirees Association and you, our members.

I'm not re-retiring, I'm moving to another role in the association, that of Membership Chair, on GSRA's Planning and Operations Committee. This is the one area where I feel my continued efforts need to be focused. It's the one area that baffles me, because our membership should be growing by leaps and bounds due to the work we have done on behalf of state employees and retirees over the past years.

As Chair, I will work with other committee members, local chapter officers and GSRA members, both active

and inactive, to organize our approach to membership development, recruitment, and retention. I want all members to be informed, engaged and committed to improving the lives of state employees and retirees, at whatever level they are able to commit.

Please give your support to our incoming President, Steve Herndon, as he assumes his duties in January. He's committed to the values of state service and the bond that is formed between the state and the employee that retirement brings.

Now is the time to begin to plan for your future. Make contact with your legislators and let them know of our goals and objectives and your need for their help to make your future, and that of all Georgians, better by honoring the commitments made in the past.

Thank you,

Kip Mann, President
GSRA

Local Chapter News

NE Metro

The NE Metro Chapter met on November 7, 2017 at the Bethesda Park Senior Center in Lawrenceville, with forty-five members and guests in attendance. Guest speaker Randy Satterfield from Clearpoint Credit Counseling Services gave an informative presentation about various scams and dealing with the Equifax credit breach. FTC booklets on identity theft and fraud and copies of articles about the Equifax breach, obtained from the State Law Department, were available for distribution.

Outgoing GSRA President, Kip Mann, along with GSRA's Legislative Committee Chair Chuck Freedman and GSRA's Legislative Liaison Chuck Clay then gave presentations about GSRA's goals and objectives for the coming year and legislative session and stressed the importance of increasing membership. To close, the annual business meeting and officer elections were held.



Chuck Freedman, Chuck Clay and Kip Mann at the NE Metro November meeting



Randy Satterfield addresses the NE Metro meeting

Golden Isles

Golden Isles local chapter held its final quarterly meeting for 2017 on November 30 at Brunswick First United Methodist Church. A delicious chili and salads lunch was served.

The guest speaker, Glynn County Sheriff Neal Jump, provided members and guests with important information about current phone and internet scams. After Sheriff Jump's presentation, President Barry Cooper briefly covered chapter news and announcements and asked members to seriously consider attending *GSRA Day at the Capitol* in January.

GSRA Needs Your Help!

The first Action Alert for the 2018 session was in support of Rep. Richard Smith's HB71, which seeks to eliminate "surprise" or "balance" billing for medical procedures. This is in keeping with our Goal 4. If you have not yet responded to the alert, please reconsider. The alert was emailed to you on December 27.

Thanks!

GSRA Day/Governor's Photo Op Confirmed

The Governor's Office has confirmed our photo op with the Governor for 10:00 am for *GSRA Day at the Capitol* January 31st. Members attending, please make plans to be at the Capitol stairs by 9:45 am that morning.





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Endorsed GSRA 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
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
- Tax-Deferred Annuity
- Cancer Treatment Policy
- Medicare Supplement Insurance
- Identity Theft Protection
- Hotel Discounts
- Computer Discounts

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

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APCU
Member Credit Union
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APCU partners with Members Wealth Management, a financial services program, to help our members with financial planning, investments, insurance, as well as retirement and estate planning strategies.

APCU has invited Sherrill Hamer, a Managing Associate with Members Wealth Management, to offer a great workshop, "Money Talk 101," at GSRA. This seminar is designed to facilitate conversations around financial milestones for retirees.

Topics will include:

- ★ The importance of setting financial goals
- ★ Understanding your current financial position
- ★ Preparing for a successful retirement
- ★ Income tax considerations
- ★ What you loved most need to know

SHBP RETIREES, OUR ADVANTAGE IS YOUR SATISFACTION.



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UnitedHealthcare® Medicare Advantage plans achieve over 97% satisfaction* with SHBP retirees.

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