

Get Involved!

GSRA Day at the Capitol and GSRA/GPHSA Legislative Reception
events occur next Wednesday, January 31, 2017, on Capitol Hill in Atlanta.

You do not have to register for the day event – just show up at 9:45 am at the Capitol stairs and help fellow members distribute information and demonstrate a strong GSRA presence. You can register for the 5:00 – 7:00 pm evening reception through January 28th by going to www.mygsra.com. Please remember to invite your legislators!

Members are always asking what we can do to help get COLAs restored. The answer is simple – members need to get involved in sufficient numbers to show legislators and state leadership that retired state employees are a robust, voting group that can affect election outcomes. As effective as your GSRA state leadership and board have tried to be, we cannot make this happen without your significant involvement!

FY 2019 SHBP Financially Sound

The Department of Community Health (DCH) Commissioner Frank Berry and Chief Financial Officer Lisa Walker appeared before the Joint Senate and House Appropriations Committee on January 16, 2018. Walker explained that the Governor's recommended budget for the department and the State Health Benefit Plan would see another year of "surplus" funds. The Governor's proposal includes changes in revenue and benefits for FY 2018 and FY 2019 to raise the total Fund Balance to \$2 billion at the end of FY 2019. Walker outlined the proposed changes occurring in FY 2018 and FY 2019 budget proposals for the SHBP.

1. SHBP economic results were good for FY 2017. A total of \$469 million was added to the reserve Fund balance making a total of \$1.6 billion.

2. Expected results for FY 2018 are projected at \$275 million bringing the total reserve Fund balance to \$1.9 billion. The FY 2017 changes have been projected to contribute to the \$275 million.
- The Public School Employees employer rate was increased from \$746.20 to \$846.20 on January 1, 2018 with increased revenue of \$29.6 million.
 - Procurement savings for the Medicare Advantage and Kaiser options decreased the benefit cost by \$53.1 million.
 - Auditing dependent eligibility is projected to decrease cost by \$27.7 million

- d. Savings on pharmacy benefits by the Benefit Manager is projected to save \$42.3 million.
- e. Increasing the Children's Hearing Aids and Autism benefits is projected to cost \$1.1 million.
3. After annualizing the additional revenues (including the member premium increase), costs, and savings into FY 2019, revenue is projected to be **\$57 million greater than expense; thereby increasing the Reserve Fund Balance to \$2 billion.**

State Health Benefit Financial Projections¹

	FY 2018	FY 2019
Projected Expense before Changes	\$3,425,157,529	\$3,755,796,529
MA & Kaiser Procurement Savings	(53,123,000)	(87,973,000)
Dependent Audit Savings	(27,655,000)	(30,006,000)
Pharmacy Benefit Manager Savings	(42,295,000)	(45,892,000)
Children's Hearing Aid and Autism Benefit Increase	1,109,471	2,209,471
Total Expense	\$3,303,194,000	\$3,594,135,000
Total Projected Revenue	\$3,579,255,006	\$3,651,268,033
Net Surplus	\$ 276,061,006	\$ 57,133,033
Carryforward Fund Balance Reserve (Previous Year)	\$1,633,482,551²	\$1,909,543,557
Total Projected Fund Balance Reserve	\$1,909,543,557	\$1,966,676,590

While the SHBP is projected to be adequately funded through FY 2019, administrators have shown concern over the funding levels for the SHBP retirees – known as the Other Post-Employment Benefits (OPEB). Two fiduciary trust funds—State and School—have been established to

account for the OPEB liability. In FY 2017, \$333.7 million and \$134.3 million of the FY 2017 excess over revenue (\$469 million) was set aside for OPEB liabilities.³ OPEB liabilities and Fiduciary Net Reserve position as of June 30, 2017⁴ are shown below.

Components of the Net OPEB Liability (Thousands) – June 30, 2017

	State Retirees	School Retirees	Total
Total OPEB Liability	\$4,706,971	\$14,508,999	\$19,215,970
Fiduciary Net Reserve Position	956,373	260,533	1,216,906
Net OPEB Liability	\$3,750,598	\$14,248,466	\$17,999,064

ERS Tax Information – 1099s

Employees Retirement System (ersga@ga.gov) posted that the New! 1099 Forms for 2017 will be mailed by Wednesday, January 31st

¹ FY 2019 Governor's Tracking Document

² Includes \$1.2 billion in OPEB reserves. See State Comprehensive Annual Financial Report (CAFR) for 2017.

³ Financial CAFR for FY 2017

⁴ Financial CAFR showing OPEB Reporting as of June 30, 2016

Employees Retirement System & Teachers Retirement System Audit & Investment Information

Electronic copies of the June 30, 2017, Audit Reports for the Employees Retirement System and Teachers Retirement System have been posted by State entities. Both reports include a statement that the financial statements present fairly, in all material respects, the financial position of the fiduciary activities of the System as of June 30, 2017, in accordance with U.S. accepted accounting principles. Limited investment information was included in the audit reports; however, each entity's Comprehensive Annual Financial Reports provided additional investment information that is included in this article. 2017 was a good year for the retirement plans. Some of the highlights from these reports follow.

1. The comparative and improved net position of both ERS and TRS over 2016 is shown below. Net position represents the value of assets to pay liabilities. The improved position was primarily due to the increase in equity markets.

Net Position of ERS ⁵ and TRS Funds				
	ERS 2016	ERS 2017	TRS 2016	TRS 2017
Net Position	\$12.4 billion	\$13.1 billion	\$65.6 billion	\$71.3 Billion
Percentage increased		5.9%		8.7%

2. Both systems reported increased numbers of persons receiving benefits, but the systems also reported an increase in active members contributing to the plans.

Membership Comparisons				
	ERS 2016	ERS 2017	TRS 2016	TRS 2017
Members & Beneficiaries Receiving Benefits	48,449	49,632	117,918	122,629
Active Plan members	59,766	60,983	218,215	222,918
Percentage Increase – Receiving Benefits		2.4%		4%
Percentage Increase – Active Members		2.0%		2.2%

3. The time-weighted return on investments for ERS was 12.44% for 2017 and for TRS was 12.5%.

ERS	Equities	S&P 1500	MSCI ACWI ex US	Fixed Income	Barclay's Govt/Credit	1 Month T-Bills	Total Portfolio	CPI
1 year	19.2 %	18.1 %	20.5 %	(1.0)%	(0.4)%	0.4 %	12.4 %	1.6 %
3 year	7.4 %	9.5 %	0.8 %	2.2 %	2.6 %	0.2 %	5.8 %	0.9 %
5 year	12.8 %	14.7 %	7.2 %	1.8 %	2.3 %	0.1 %	9.5 %	1.3 %
10 year	6.0 %	7.3 %	1.1 %	4.4 %	4.6 %	0.4 %	6.2 %	1.6 %
20 year	6.5 %	7.5 %	—	5.6 %	5.3 %	1.9 %	6.6 %	2.1 %

⁵ The ERS audit report includes all retirement systems and proprietary funds administered by ERS. The ERS fiduciary plan has been gleaned from the total report.

TRS Return on Investments										
Equities			S&P 1500	MSCI ACWI ex US	Barclays			Total Portfolio		CPI
					Fixed Income	Govt/ Credit	1 Month T Bills			
1 Year	19.2%	18.1%	20.5%	1 Year	(1.0)%	(0.4)%	0.4%	1 Year	12.5%	1.6%
3 Year	7.4	9.5	0.8	3 Year	2.2	2.6	0.2	3 Year	5.8	0.9
5 Year	12.8	14.7	7.2	5 Year	1.8	2.3	0.1	5 Year	9.4	1.3
10 Year	5.9	7.3	1.1	10 Year	4.4	4.6	0.4	10 Year	6.1	1.6
20 Year	6.6	7.5	—	20 Year	5.6	5.3	1.9	20 Year	6.7	2.1

4. Asset Allocation as of June 30 of each year for ERS and TRS vary by small percentages.

Asset Allocation at June 30 - ERS						
	2012	2013	2014	2015	2016	2017
Equities	65.9%	68.1%	67.2%	65.3%	62.3%	63.9%
Fixed Income	27.3	25.0	25.6	27.2	29.5	27.1
Mutual and Commingled Funds	6.8	6.9	7.1	7.2	7.6	8.2
Private Equity	--	--	0.1	.03	0.6	0.8
Total	100%	100%	100%	100%	100%	100%

Asset Allocation at June 30 - TRS						
	2012	2013	2014	2015	2016	2017
Equities	71.0%	73.5%	72.9%	71.2%	68.6%	70.9%
Fixed Income	29.0	26.5	27.1	28.8	31.4	29.1
Total	100%	100%	100%	100%	100%	100%

5. The twelve largest Equity Holdings for both the ERS and TRS are the same with the 13th and 14th corporations switched in order. Fifteen largest equity holding are listed below.

Equity Holdings in Highest to Lowest Fair Value					
1	Apple Inc.	6	Johnson & Johnson	11	Visa Inc.
2	Alphabet Inc.	7	Exxon Mobil Corp.	12	Bank of America Corp
3	Microsoft Corp.	8	JPMorgan Chase & Co.	13	Proctor & Gamble Co.
4	Amazon.Com Inc.	9	Berkshire Hathaway Inc.	14	Pfizer Inc.
5	Facebook, Inc.	10	Wells Fargo & Co.	15	Alibaba Group Holding Ltd.

If you are interested in reviewing complete reports, you may view at the [ERS Website](#) or [TRS Website](#). The audit reports are available on the Department of [Audits and Accounts website](#).



Steve's View: GSRA Needs You!

I look forward to using this space to communicate with you about GSRA and our issues. We are fortunate to each contribute in our own way to a volunteer organization that exists to monitor and support the critical benefits we expect to sustain us as we journey through retirement. I appreciate the opportunity to serve and look forward to working with our dedicated board members and officers.

We have heard a lot lately about the exceptional financial health of our state government - which is great news! What is concerning, is that even in a time of relative plenty, there seems to be little action planned to restore our benefits to the level promised (begin to restore the losses suffered by 10 years of reduced and then eliminated COLAs) for state retirees who carried out the work demanded by our state's citizens and accomplished by state government. This is a broad but still disappointing trend and points to deep concern among state retirees and their families about their financial future.

What can one person do?

Dictionary.com defines a voluntary association as "a group of individuals joined together on the basis of mutual interest or common objectives". The objectives of GSRA are clear and depend on our own volunteerism. Volunteer and get involved with your GSRA! Act on the Action Alerts sent to you on issues of importance, get involved with your local chapter, plan to attend the annual meeting in Macon, join your fellow members at the GSRA Legislative Day held during each legislative session. These are just some of the ways you can become involved and make a difference.

As the coming year unfolds, I look forward to seeing you at chapter meetings, at the GSRA Day at the Legislature, at our annual meeting in Macon this fall, when we plan to host a candidates' forum, and at other events.

Thank you for your continued support of GSRA! Best wishes for the New Year!

Local Chapter News

Savannah Coastal

The Savannah Coastal chapter held its first meeting of the new year on January 17, 2018, when a very dedicated group of members met at a very cold SW Chatham Library to hear Kip Mann, past GSRA President and current GSRA Membership Chair. Kip outlined his vision and some of his strategies for increasing membership. The group also reviewed the GSRA Goals, Objectives and Legislative Agenda for 2018.



2017 GSRA President Kip Mann addresses Savannah Coastal members

November - December New Members

Name	County		Name	County		Name	County
November							
Clifford Blackman, Jr	DeKalb		Christine Mathews	DeKalb		Doris Chadwell	Gwinnett
Carolyn Coachman	Thomas		Carolyn McKinley	Meriwether		Joyce Hammock	Fulton
Donna M. Doering	Glynn		Sidney Simonton	Gwinnett		Martha Hammond	Fulton
Deborah Ferguson	Gwinnett		Judy Vanzant	(Arizona)		Karen Jensen	Gwinnett
Gerald Fields	Carroll		Brenda Williams	DeKalb		Decomatheia Lee	Effingham
Jim Hardeman	DeKalb		Linda Wright	Glynn		Marjorie Rogers	Glynn
Herman Johnson	Muscogee		December			Gary Townsend	Rockdale
Luther Jones	Ware		Michael Carmichael	Glynn			
			Frank Castellana	Henry			

Update on “Surprise” Medical Billing

The first Action Alert GSRA sent out for this legislative session was around support for HB71, a bill, sponsored by Representative Richard Smith of Columbus, which sought to eliminate “surprise” billing by out of network providers. That legislation has now morphed into Representative Smith’s current bill, HB678. For a detailed look at the current proposed legislation [click here](#).

Dept. of Public Health Flu Press Release

Read the Georgia Department of Public Health [press release regarding the flu](#).

February ERS Board Meeting

When Thursday, Feb. 15, 10:30am – 11:30am
Where [2 Northside 75 Northwest, Atlanta, GA](#),

ERS Board meetings are open to the public.



You have a choice!
Choose a BCBSGa Medicare Advantage plan and enjoy this chapter of your life.

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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
- 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

Benefits made available through:

ASSOCIATION MEMBER BENEFITS ADVISORS

Providing the Best-in-Class Benefits to Association Members

800.258.7041

YOU ARE OUR PRIORITY

OUR MEMBERS FORM THE FOUNDATION OF THE COMMUNITIES THEY SERVE.

Since 1925, we've prided ourselves on helping members build a solid financial foundation for their own families.

We're not salespeople, we're solutions people. That's why nobody can serve our members like we can.

APCU serves State and Federal workers, retirees and their families in Georgia. Visit APCU's exhibitor table at GSRA. For more information, visit apcu.com, or call us at (404) 768-4126 or Toll-free at (800) 849-8431.

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 Shavon Roman, 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 your loved ones need to know

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SHBP RETIREES, OUR ADVANTAGE IS YOUR SATISFACTION.

Medicare Advantage Plans from UnitedHealthcare®

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

UnitedHealthcare continues to be a proud sponsor of the GSRA Annual Meeting for 2018.

*2015 UnitedHealthcare Customer Experience Survey scores for Group Medicare Advantage plan members. Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract. Enrollment in the plan depends on the plan's contract renewal with Medicare.
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