

**Mark Your Calendars Now for the
GSRA 2018 Annual Meeting - Oct. 15th and 16th**

GSRA will return once again to the Anderson Conference Center in Macon on Monday and Tuesday, October 15 and 16, 2018, for the 2018 Annual Meeting. This is an election year, and we can make a difference! We will invite the gubernatorial candidates and submit questions to them in advance so they can address our issues. Be there to hear what each has to say.

We will invite DCH Commissioner Frank Berry and ERS Director Jim Potvin to address us as well. Of course, we will offer important and informative workshops, as well as an opening day reception.

This year we will start on both days a little later than we have in the past. After all, we are retired so there's no rush. See you in Macon!

Decision 2018 – Your Vote is More Important than Ever!

ERS Actuarial Reports Show NO Change in Funded Ratio in FY 2017

The Georgia Employees Retirement System Board of Trustees reviewed and approved the actuarial report by Cavanaugh Macdonald Consulting for the period ending June 30, 2017, at the April 19, 2017 meeting. Following the approval of the report, the Trustees approved the two one-time adjustments for retirees that were detailed in the April GSRA newsletter¹. The complete reports for all retirement systems administered by the ERS were approved and can be viewed at the ERS website; however, selected information from the ERS reports is presented in this article.

The consulting actuaries state that: “In our opinion, the valuation is complete and accurate. . . .reflect[ing] the one-time [benefit] 3% payment . . . effective July 2017. . . .the Board has amended the funding policy toreduce the long-term assumed rate of return by

0.10%from 7.50% to 7.40%.” In addition, the two one-time adjustments of 2% for July 2018 and for January 2019 are also included in the projections.

The good news in the reports is that the ERS Funded Ratio of liabilities did not decrease but remained at 74.7%. Other reports show that the Judicial Retirement System’s ratio decreased from 111.1% to 107.9%, the Public School Employees Retirement System decreased from 84.4% to 83.6%, and the Legislative Retirement System increased from 126.0% to 128.1%. The bad news is that the funded percentage—even with an investment return in FY 2017 of 12.44% did not raise the ERS funded ratio closer to the 80% level that would fund the Board’s guidelines for a 1% COLA.

There is also good news about the actuarially determined employer rate for FY 2020. The state

¹ For complete discussion of the adjustments, go the GSRA website, sign-in and review the April newsletter.

employer contribution rate is again at 24.66% (21.64% for GSEPS²) of salary for FY 2019 and FY 2020. Therefore, no additional budgeted funds because of an increased employer rate will be required for the ERS in FY 2020. Of course, the actuaries have not included any projection for COLAs or one-time payments, except those approved on April 17, 2018.

Ten years have passed since the Board decreased or eliminated COLAs for ERS retirees. It is time to compare selected data to demonstrate the impact on the pension plan of the myriad of changes that have occurred in demographics, investment return, funding policy, etc.

Comparative Information – Ten Years			
	6/30 2007	6/30/2017	% Change
Number of Active Members	73,985	60,906	-17.7%
Average Annual Earnable Compensation (Active)	\$36,237	\$41,810	15.4%
Actuarially Determined Value of Assets	\$13.8 billion	\$13.1 billion	-5.5%
Unfunded actuarial accrued liability	\$1.1 billion	\$4.4 billion	325%
Funding Ratio based on Actuarial Value of Assets	93.0%	74.7%	-19.7%
Actuarially Determined Employer Contribution (ADEC) Rates³ (FY 2010 and FY 2020)	10.41%	24.66%	136.9%
Investment Return Rate⁴	14.7%	12.44%	--
Number of Retirees and Beneficiaries	34,174	49,475	44.8%
Average Annual Benefit (Retirees and Beneficiaries)	\$27,397	\$27,200	-0.7%
Average Age of State Workforce	43.8 yrs.	44.3 yrs.	--
Average years State Service	9.8 yrs.	9.6 yrs.	--
Membership Data			
Under 5 years of service	40.2%	40.7%	.5%
5 to 9 year of service	20.2%	15.1%	-5.1%
10 to 29 years of service	37.0%	42.3%	5.3%
30 + years	2.5%	1.2%	-1.3%

Comparative Information Clarifications

The following statements further explain some of the comparisons.

- (a) **Number of Active Members:** In 2007, all members were in the “Old” and the “New” pension plans. However, by 2017, the pension plans had been replaced for new employees hired after January 1, 2009 and of the 60,906, only 65 employees are members of the “Old” plan, 32,242 (53%) are

members of GSEPS, and the remaining 28,599 (47%) are “New” plan members.

- (b) **Average Compensation:** An increase of 15.4% over a ten-year period averages to 1.5% each year although no increase was awarded to the workforce during many of these years.
- (c) **Unfunded accrued liability:** The 325% increase is a result of many factors, such as the increase in retirees of 44.8%, investment rates of return, changes in the assumed investment rate from 7.5% to 7.4%, changes in mortality rates, reduced number of active employees, minimum increases in active

² Georgia State Employees’ Pension and Savings (GSEPS)

³ Employer contribution rate in the 2007 report was for FY 2010 and in the 2017 report was for FY 2020; the rate for GSEPS employees is 21.66% for FY 2019 and 21.64% for FY 2020.

⁴ Investment Return rate over the last 15 years has ranged from a high of 21.27% to a low of -12.97%; seven of the 15 years that are posted on the ERS website indicate an Investment Return rate below 7.5%.

employees' salaries, policies to reach 100% funding within 25 years rather an open-ended and rolling 30 years, etc.

- (d) Funding Ratio: All of the factors mentioned above for "unfunded accrued liability" also affect the Funding Ratio.
- (e) ADEC: The employer contribution rate was reduced to 10.41% of salaries in the early 2000s and was not increased until FY 2012. The rate was then rapidly increased in the years FY 2014 and thereafter until reaching the 24.66% in FY 2019.
- (f) Average Annual Benefit: The average benefit will probably decrease as employees in the "New" plan retire since they will generally retire with fewer service years and a lesser multiplier than "Old" plan members. In 2017, retirees added had an average of \$17,426 benefit while those "Removed" had an annual average benefit of \$22,797⁵.

- (g) Membership Data: Although there are many reasons for the turnover of the workforce, one might conclude that workforce stability is with persons who have 10 to 29 years of service. Most of "new" retirees would be members of the "New" retirement system, and who appear to retire quickly after reaching 30 years of service.

The actuarial report is required by Section 45-2-16 governing the Employees Retirement System law and provides that the actuary shall make annual valuations of the contingent assets and liabilities of the Retirement System based on tables adopted by the Board of Trustees. The opinion of the actuarial consulting group is that the valuation is complete and accurate and that the annual employer contribution rates as stated in the report are sufficient to support the benefits of the System. This rate does not, however, include assumption of any COLA in FY 2019 or FY 2020.

GSRA Begins Membership/Marketing Drive

Building on the successes garnered by the association over the past three years, GSRA is starting a new membership and marketing drive. The drive will depend heavily on the active participation of our local chapters statewide as outlined in the letter below that Membership Committee Chair Kip Mann and Marketing Committee Chair Janet Blackmon recently

sent out to local presidents and local membership chairs.

This effort is crucially important! A robust membership, as we have seen from the successes of the teacher groups, is key to getting the legislature and administration to fully address our retiree concerns.

To: Local Chapter Presidents

Local Chapter Membership Chairs

From: Kip Mann, GSRA Membership Committee Chair

Janet Blackmon, GSRA Marketing Committee Chair

Re: Increasing GSRA Membership and Marketing GSRA

⁵ See page 40 of the actuarial report.

GSRA needs your help in an organized way to market and grow our membership.

The ERS Board just approved a 4% adjustment to retiree benefits up to the first \$30K of annual benefits. It will be distributed in two benefit checks on July 1 and Jan 1st of this coming fiscal year. If your annual benefit check is \$30 K or more you'll receive an additional \$600 in each of the two checks (minus taxes of course). This is the direct result of the efforts of GSRA members who lobbied hard this year since we haven't had a COLA in ten years. This marks the third year in a row that the Georgia State Retirees Association has been successful in getting some relief for retirees to help defray rising living expenses.

This is also why it is very important for all of us to help grow our GSRA membership. We need to use this information of 3 successful years with retiree benefit adjustments to continue our efforts to get COLAs restored.

As Chairman of the GSRA Membership Committee I proposed at our last Monthly Board Meeting that we aggressively pursue increasing our membership. Numbers count when working with our political leaders and the ERS Retirement Board.

We can find members from the sources: 1. New Retirees, 2. Current Retirees, and 3. Current State Employees.

1. New Retirees – We now have GSRA members attending the WRAP Sessions (for employees within six months of retirement – the WRAP Sessions provide information about retirement plan choices and benefits.) We are getting new members at this point. We will be offering them a free membership for a year if they join for a year (BOGO – Buy One year Get One year free). This offer is good through 2018.
2. Current Retirees – There are approximately 50,000 ERS Retirees. We have 7,000 members on our rolls. We want to increase our membership among current retirees by offering the same BOGO through 2018.
3. Current State Employees – GSRA has been given permission to set up a table by the Building Authority in the Floyd Building in Atlanta to inform current employees of the benefits of joining our association. If they wish to join we will offer the same BOGO through 2018.

How Local Chapters Can Help

1. To assist in this effort we're asking local chapters to poll their members and get them to fill out the attached form with as much information as they have that will capture the name, email address, tel. #, agency retired from, address, etc. Each Chapter should have their members go through their email address books, paper address books and Facebook "Friends" accounts and help us locate these persons.
2. Then the local chapters can create one list and send it to the GSRA Board @ help@myGSRA.com and we'll screen out current active members and then contact these people about joining.
3. Once the screening has been done we'll send out an e-mail or direct mail alert seeking new members as outlined above offering the BOGO if they join this year.

It's imperative that we use the successes we've had this year and the previous two years to increase our membership before the news become old news, and before the time for ERS to consider next year's budget and the possibility of adding funds to cover pre-funding of a COLA of some amount.

Thank you in advance for your help!

GSRA Legal Fund Report

GSRA Treasurer Harold Grindle provided the most recent report on the GSRA Legal Fund at the May Board meeting in Atlanta. The legal fund was established by the membership following the last Annual Meeting held in Columbus in October, 2017. The Board's intention is to provide a periodic reporting to the membership on the status of the fund, in addition to the required annual reporting at

the Annual Meeting. As of April 30, 2018, the fund had a balance of \$675.00, with no expenses thus far.

Anyone can contribute to the fund, which is maintained separately from general membership funds. To contribute to the fund, go online to the GSRA website, MyGSRA.com and click on "Donate to the Legal Fund". Any expenditures from the fund must follow the guidelines set out by the policy and be approved by the GSRA Board.



Steve's View: GSRA Always Involved – For Retirees

As always, GSRA is involved in many activities on behalf of state retirees. Even though the GSRA Day, the 2018 legislative session and the Annual ERS Board meeting where benefit adjustments were decided are now memories, there is much being done for the benefit of retirees with much more left to be done. These include our involvement in the election season, involvement in the next state budget cycle, arranging this year's annual meeting in Macon, GA and even finalizing some aspects of the 2019 Annual meeting, which will be held at Unicoi State Park near Helen, GA in October, 2019. Also, GSRA has renewed its contract with our legislative consultant, Mr. Chuck Clay, for another year.

You may have seen GSRA Legislative Liaison Chuck Freedman's excellent interview with AJC political reporter James Salzer on the front page of the AJC on April 27, 2018, where Chuck explained the importance of COLAs for state retirees and pay raises for active state employees. Way to go, Chuck! This article gives some of our issues the highest profile they could receive.

GSRA has polled all the candidates running for Governor and Lt. Governor on issues of importance to retirees. You will be reading more about this below and in

the near future. We are planning to have the final candidates for Governor address our members in attendance at the Annual Meeting in Macon in October.

In the coming weeks, GSRA representatives will be meeting with various state officials on issues of importance to our members. In recent weeks GSRA volunteers have met with several GSRA Chapters - in Warm Springs, Albany, and Valdosta, as well as a group of retired State Troopers and GBI Agents in Macon (most of whom were already GSRA members). Much goes on year round to effect a better outcome for state retirees.

Some of the ways you can support your GSRA in advocating for you include: keep your membership current and consider payroll deduction to pay your dues, help recruit new members, get involved with a local chapter, donate to the legal fund, respond to action alerts and communicate with your legislators on issues important to you. GSRA is our only organized group that advocates for state retirees. Get involved. Support your GSRA.

Thank you for your support!

Steve

GSRA Appoints Secretary

Beverly Littlefield of Sandy Springs has been appointed Secretary of GSRA, effective May 10, 2018. Beverly is a long time GSRA member and former chapter officer at the Northwest Metro local chapter. The Board welcomed Beverly to her new role at the last meeting in Atlanta on May 10. We wish Beverly well in her duties as Secretary and appreciate her willingness to serve. We also appreciate the efforts of Donna Buffum for pinch hitting with the Secretary duties recently.

Questionnaires Sent to Candidates

GSRA composed a questionnaire of six questions for candidates for state office, seeking to learn candidates' positions on issues of concern to state retirees. Recently, we sent the questionnaire to all seven candidates for governor and five candidates for Lt. governor.

Only two candidates, Democrat candidates for governor Stacey Abrams and Stacey Evans, have responded to this point. Their responses can be read at [Abrams](#) and [Evans](#). In brief, Rep. Evans responded unconditionally affirmatively to all our questions, while Rep. Abrams responded unconditionally

affirmatively to four questions, including supporting COLAs and holding SHBP members' costs in line. She had more nuanced responses to the questions about pay raises for active employees and surprise billing.

The candidates who did not respond to our questionnaire are Republican candidates for governor Casey Cagel, Hunter Hill, Brian Kemp, Clay Tippins, and Michael Williams; Republican candidates for Lt. governor David Shafer, Geoff Duncan and Rick Jeffares, and Democrat candidates for Lt. governor Sarah Riggs Amico and Triana Arnold James.

Local Chapter News

Valdosta

The Valdosta local chapter met May 8th at Mama June's buffet for lunch and fellowship, with about 30 members attending. Guest speaker for the meeting was Chuck Freedman, Legislative Chair for GSRA.

Chuck presented a thorough review of GSRA attempts to get a COLA into the state budget and how GSRA succeeded on our behalf this session. He felt that the much more active stance this year, with numerous Action Alerts and the presence of our members at the ERS Board Meetings in March and April were effective and resulted in the two one-time "bonus" payments approved at the April Board Meeting. He suggested strongly that all members contact their local legislators or candidates during this election season and indicated it is a rather critical time with the turnover in state level positions and the ever changing makeup of the House and Senate.



Chuck Freedman addresses members of the Valdosta local chapter

Let Us Help You

If you have questions about or need help with anything related to GSRA, please contact us at help@mygsra.com or call 770-312-2799.



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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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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 website today at GSRA. For more information, visit apcu.com, or call us at (404) 768-4125 or Toll-free at (800) 848-8431.

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 Shweta Ramani, 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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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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