

REPORT FROM THE GSRA LEGISLATIVE COMMITTEE

GSRA's legislative agenda was finalized last month. In addition, four related detailed proposals have been drafted for:

- Providing equity in benefits among the various state sponsored retirement systems and equity in pay increases among all state-funded employees,
- Creating a health benefits advisory committee for the Board of Community Health to review all pending policy decisions by the board and by department staff prior to their adoption,
- Providing retiree representation on the Employees Retirement System Board of Trustees, and
- Authorizing ERS to provide—upon approval of individual retirees—retiree contact information to GSRA.

We have begun scheduling meetings with legislators and/or their staffs to obtain support for our goals.

Budget Woes

As publicized in the news media, the General Assembly is struggling with continuing reductions in state revenues. This has apparently caused some members of the Senate Appropriations Committee to suggest an 'early retirement program' for state employees, with a goal of reducing their number by 5,000. Senator Seth Harp asked many department heads to provide the number of employees who are close to retirement (within two-three years of reaching 30 years of service).

The Senate Budget staff has estimated a savings of \$250 million. The 'early retirement' plan would exclude safety personnel. If such a program were to become law, both the Employees Retirement System and the State Health Benefit Plan would be significantly affected – not to mention the impact on the ability of State Departments to deliver essential public services. For example, Commissioner Rhonda Medows reported that a forced retirement as proposed would eliminate about 24% of central management of the Dept. of Community Health.

GSRA is extremely concerned about the impact of an early retirement program on the ERS and State Health Benefit Plan. Approximately two-thirds (67%) of the total projected salary savings (\$175 million) would immediately

be payable in pensions (\$120 million) from the ERS Trust funds each year. Adding 3,000 to 5,000 to the number of retirees in one year exceeds the normal projected growth of 800 to 1,000 each year. Reducing long-service employees by this number will also lower the compensation base on which employer and employee contributions are made, which would in turn result in a loss of approximately \$20.5 million in ERS revenues each year. *The \$120 million additional payout, along with the \$20.5 million reduction in ERS revenue, will negatively impact the ERS Trust fund by at least \$140.5 million, not to mention the loss in annual investment income on the \$140.5 million.* In recent months (before the 'early retirement' plan idea surfaced), the ERS Board of Trustees Chairperson reported that the ERS funded percentage may drop into the 75% range in FY 2011. Therefore, adopting an "early retirement" plan would have an even greater negative impact on the ERS retirement trust fund.

What about the effect on the SHBP? The benefit cost of the Plan would not decrease—only the employer payments into the fund would decrease since retirees continue SHBP coverage. Previous GSRA newsletters have reported continuing funding reductions to the SHBP and the planned use of **ALL reserves, including the Incurred but Not Reported (IBNR)** reserves. The revenue loss for the SHBP would be even greater than on the ERS Trust fund. Although the amount of reduction is not yet known, and DCH plans to convert State contributions to a dollar amount per actively covered employee on January 2011, the reduced state contribution would be at least \$31 million annually (18% of \$175 million). Therefore, an 'early retirement' plan will result in a need to dramatically increase SHBP funding

The bottom line: An 'early retirement' plan to reduce state spending may be futile if it results in much higher funding requirements for the benefit plans, which would in turn offset the cost savings. In addition, loss of knowledgeable staff could result in lawsuits in many areas, such as the Food Stamp Program, Medicaid, etc. An 'early retirement' plan is premature without consideration of all of the impacts on state programs and services that are essential for the citizens of Georgia.

2009-2010 GENERAL ASSEMBLY - BILLS OF INTEREST
Updated through February 18, 2010

The General Assembly will not meet between February 18 and March 8, 2010. During these two weeks, the House and Senate Appropriations Committees are conducting budget hearings for the FY 2011 budget and waiting until the February State Revenue report is available.

A complete list of bills tracked by GSRA is shown on the GSRA website (www.mygsra.com). The following table provides information on bills of interest that were introduced February 4 through February 18, 2010 plus the bills previously introduced in the 2009-2010 Session and that had action between the 4th and the 18th. **Actions taken between February 4 and February 18, 2010 are highlighted in "red."**

Bill Number	Short Description	Status (02/18/10)
2010 Introduced Legislation		
SB 316	Requires insurers who offer Medicare Supplemental policies to provide the policies to citizens under the age of 65 who have Medicare because of a disability.	Senate Passed on 2/18/10.
SB 363	Authorizes Student Finance Authority to contract with the Department of Community Health for health insurance for its employees.	Passed by Senate on 2/17/10 and assigned to House Insurance on 2/18/10.
SB 399	Provides for no state department to implement federal health care reform legislation until it reports to the General Assembly.	Assigned to Government Oversight on 2/10/10.
SB 407	Allows Insurance Commissioner to identify states with laws consistent with Georgia to approve sale of individual health insurance to Georgia citizens.	Assigned to Senate Insurance & Labor on 2/11/10.
SB 408	Authorizes small employer health group cooperatives.	Assigned to Senate Insurance & Labor on 2/11/10.
SB 436	Repeals obsolete and inoperative provisions of the Employees Retirement System Code.	Assigned to Senate Retirement on 2/18/10.
HB 969	Changes state law to comply with federal IRC regarding retirement issues and normal retirement age although TRS states that the TRS pension plan is administered in compliance with IRS retirement law. A section of this bill impacts the Public School Employees Retirement (PSERS) in that it provides for suspension of the retirement benefit for a person under age 60 returning to work within two months or to choose not to receive retirement credit for work.	Passed House and subsequently assigned to the Senate Retirement Committee on 2/11/10.
HB 997	Transfers the state's administration of the federal social security plan for Georgia's state and local governments from the ERS to the State Personnel Administration.	Passed House and assigned to Senate Retirement on 2/10/10.
HB 1023	Provides an unemployment tax credit for employers that hire someone who is receiving unemployment benefits.	Favorably Reported on 2/18/10.
HB 1086	Excludes release of e-mail addresses of employees of public and nonpublic schools to the public.	Favorably Reported by Education Committee on 2/18/10.

Bill Number	Short Description	Status (02/18/10)
HB 1110	Prohibits Education Board Members from employment in a local school system within 1 year.	Assigned to Education Committee 2/9/10.
HB 1136	Restores salary increases for persons receiving certification from the National Board for Professional Teaching Standards.	Assigned to Education Committee on 2/11/10.
HB 1162	Prohibit bonus for state employee in calendar year unless investment performance exceeds the S&P Index.	Assigned to the Retirement Committee on 2/16/10.
HB 1184	Authorizes Insurance Commissioner to approve insurance policies of companies in other states.	Assigned to Insurance Committee on 2/18/10.
HB 1194	Authorizes county DFACS to outsource work to volunteers.	Assigned to Children & Youth Committee 2/18/10.
HB 1205	Provides for awarding leave for each furlough day (up to 3 in a calendar year) for teachers and state employees and restrict usage until years when revenue is up by 6%.	Assigned to the Education Committee 2/18/10.
HB 1223	Provides for the segregation of the Group Term Life Insurance provided through the ERS from pensions and authorizes the State Employees Assurance Department to provide group term life insurance in accordance with federal law. It also provides for separation of trust funds, liabilities, and disposition of funds following consideration of all liabilities.	Assigned to House Retirement Committee on 2/18/10.
HR 1360	Urges the Georgia Lottery Corporation to reconsider paying bonus in years with other educational personnel experience loss of pay through furloughs, etc.	Assigned to Appropriations Committee on 2/11/10.
2009 Introduced Bills – Active during 2010 Session		
SB 161 & HB 426	Original bill amends the insurance code and the State Health Benefit Plan code to require coverage of autism. Later versions of SB 161 delet4d reference to the SHBP.	SB 161 taken from table and recommitted to the Insurance & Labor Com on 1/11/10. HB 426 assigned to House Insurance Committee 2/17/09.
SB 283	Eliminates eligibility for local future (7/1/2010) tax collectors, commissioners, and receivers in ERS	Passed Senate and assigned to House Retirement Committee on 2/9/10.
HB 54	Amends the Georgia Judicial Retirement System to allow members who initially rejected spouses' benefits to elect such benefits by paying an actuarially determined amount.	Passed House and assigned to Senate Retirement on 2/5/10.
HB 172	Amends the ERS law to require the periodic re-examination of a disability beneficiary to be performed by a physician designated by the ERS medical board and to include workers' compensation payments to the exclusions in the amount earnable by the beneficiary.	Passed House and Passed Senate on 2/9/10.
HB 249 Originally	Original bill amended Public Retirement Systems Investment Authority Law to allow retirement funds	Passed House on 2/16/10 and assigned to Senate Retirement.

Bill Number	Short Description	Status (02/18/10)
the same as SB 129	to be placed in "alternative investments". HB 249 was amended in the House Retirement Committee to apply only to the Firefighters Pension Plan. <i>HB 249 amended in 2009 to apply only to the Firefighters Pension Plan.</i>	
HB 542	Amends the monthly retirement payment from \$15 to \$16 for each year of employment for persons in the Public School Employees Retirement System, if funded.	Passed House on 2/10/10 and assigned to Senate Retirement 2/11/10.

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 below.

LOCAL GSRA CHAPTERS ARE BOOMING!

Did you know that GSRA's local chapters statewide now total **14, and the 15th is expected in March?** Most of the chapters have defined a general geographic area from which to draw members. However, a GSRA member can attend any local chapter of choice or can join more than one chapter at his or her discretion. Here's the list of the chapters, with contact information for each chapter:

COOSA VALLEY AREA CHAPTER (Rome)

President: Jim Burton

Vice Pres.: Pat McBurnett

Contact: Jim Burton

Phone: 706 235-6024

Email: J7brt@aol.com

Meetings: The next quarterly meeting will be held Wed., March 31, 2:00 p.m., Rome-Floyd County Library, 205 Riverside Parkway NE, Rome, GA.

GRE (GEORGIA RETIRED EDUCATORS) CHAPTER

Co-President: Ellis Bateman and Ed Word

Vice Pres.: Janie Smith

Contact: Ellis Bateman

Email: Bat.Man.2@hotmail.com

Or Carolyn Sims, GRE,

Email: cssims@numail.org

Meetings:

Meetings are held as needed after the quarterly GRE breakfast meetings on the 1st Monday of the calendar quarter at 10 a.m. at Holiday Inn, Buford Highway & I-285 in Chamblee-Dunwoody. The GRE Chapter is open to all retired educators (state, local or university) and other retirees of the Georgia Department of Education, wherever they reside.

JESUP CHAPTER

President: Bill Bowers

Contact: Bill Bowers

Phone: 912-367-2419

Email: billbowers@atc.cc

LAKE OCONEE AREA CHAPTER (Greensboro)

President: Lewis "Peanut" O'Neal
 Vice Pres.: Tom Turner
 Contact: Lewis "Peanut" O'Neal
 Phone: 706-467-2412
 Email: oneals1@windstream.net

Meetings: Legislative/Membership meetings are scheduled in November and May. The *next meeting will be held* May 11, 2010, at 5:30 p.m., with GSRA President BJ Bennett and legislators attending. Other meetings are called as needed. All meetings are held at the Family Life Center of the Greensboro First United Methodist Church, 202 W. Broad St., Greensboro, GA. Current membership consists of over 300 state retirees &/or retired teachers from 17 counties in the area.

NORTHEAST METRO (Atlanta) CHAPTER

President: Ernie Melton
 Vice Pres.: Mike Murdock
 Contact: Ronnie Owens, Membership Director
 GSRA NE Metro Chapter
 Phone: Ernie Melton, 770 963-0561
 Email: gscanega@mindspring.com

Meetings: MAY 20, 2010: Social Event! Gwinnett Braves Game. Send Email to gscanega@mindspring.com or call phone number above for details. The Chapter primarily serves Barrow, Gwinnett, Hall, Jackson, and Walton counties members.

NORTHWEST GA. CHAPTER (Dalton)

President: Hassell Herrin
 Vice Pres.: Harold Groover
 Contact: Hassell Herrin
 Phone: 706 278-3667
 Email: hhusaf@optilink.us

or: Cheryl Mathis, Membership Chair
 Phone: 706 876-0061
 Email: Mathis_cherylw@yahoo.com

Meetings: Monthly meetings are held on the Fourth Thursday, 1:00 p.m. at Western Sizzlin', Glenwood Ave., Dalton, GA.

NORTHWEST METRO (Atlanta) CHAPTER

President: Alan Morris
 Vice Pres.: Nancy Kornegay
 Meeting: The next meeting will be held on March 10 at the Central Cobb County Library, 266 Roswell Street, Marietta, GA. Parking is free and plentiful, so come and bring a friend!
 Contact: Diane Conley
 Phone: 770-424-6491
 Email: doconley@bellsouth.net

OLD CAPITOL CHAPTER (MILLEDGEVILLE)

President: Edwin Thompson
 Vice Pres.: Bill Millians
 Contact: Charlie Jones, Membership Chair
 Email: ocgsra@windstream.net

Meetings: Quarterly Meetings are called as needed. Employees and retirees in Baldwin County and surrounding counties are invited.

SAVANNAH COASTAL CHAPTER

President: Ken McCorkle
 Vice Pres.: Jenifer Chambers
 Contact: Jenifer Chambers
 Phone: 912 961-0030
 Email: jlnewoods@hotmail.com

Meeting: The **next meeting** will be held on Wed., March 24 – 10:00 a.m. at Southwest Chatham Library, 14097 Abercorn St., Savannah, GA in the Savannah Mall area, behind Target store.

SOUTHWEST GA. CHAPTER (ALBANY)

President: Bob Pollock
 Vice Pres.: Rodney Griffin
 Contact: Bob Pollack
 Phone: 229-535-4341
 Email: bobpollock111@yahoo.com

Meetings: Meetings are held on the 2nd Thurs. of Jan., Apr., July and Oct. The next

meeting is scheduled for April 8, 10:30 a.m. at Golden Corral Restaurant, Albany, GA. (Please call phone no. above to confirm meeting location.)

SWEET ONION CHAPTER

President: Duane Tomlin
 Vice Pres.: Sylvia Dennis
 Contact: Duane Tomlin
 Phone: 912-526-3492
 Email: kdt4727@yahoo.com
 Meetings: Meetings are scheduled for March 11, May 13, Sept. 9 and Nov. 11, 2010 at 10:30 a.m. at the Toombs Co. Board of Education, 117 West Wesley Ave., Lyons, GA. Although the Chapter welcomes all state and teachers retirees, those living in or close to Toombs, Appling, Jeff Davis, Tattnall, Candler, Emanuel, Evans, Montgomery, Treutlen and Wheeler Counties are invited to participate.

THOMASVILLE CHAPTER

President: Lynell W. Hayes
 Vice Pres.: Carolyn M. Washington
 Contact: Thomasville GSRA
 Phone: 229-200-9535
 Email: thomasvillegsra@rose.net
 Meetings: Meetings are held on the 2nd Monday of each month at 5:30 p.m. at the Thomas

County Library, 201 N. Madison St., Thomasville, GA.

VALDOSTA CHAPTER

President: Carroll Griffin
 Vice Pres.: Jeanine Dell
 Contact: Carroll Griffin
 Phone: 229-244-2495
 Email: chgriffin@pobox.com
 Meetings: Quarterly

WAYCROSS CHAPTER

President: Burton Carter
 Vice Pres.: Sidney J. Burden
 Contact: Burton Carter
 Phone: (912) 282-7117
 Email: carterbec@bellsouth.net
 Meetings: 2nd Monday of January, April, July and October - 11:30 a.m. at the Holiday Inn, Highway US 1 South, Waycross.

New Emerging Chapter:

EAST METRO (Atlanta) CHAPTER

President: David Waller
 Vice Pres.: Larry Ricks
 Contact: Nannette Arnold, Membership Chair
 Phone: 770-784-5507
 Email: nannette0257@gmail.net
 Retirees in Newton, Rockdale, and surrounding counties are invited to participate.

In addition to these established local chapters, more are under way in other areas. Obviously, there are opportunities to be active locally. Join one of these chapters, or set up a new one in your area! Columbus, anyone? How about Statesboro? From Maysville to Metcalf and all points in between, state retirees live all over Georgia. Check out www.mygsra.com for Local Chapter Guidelines, or write to GSRA, PO Box 108, Bethlehem, GA 30620 for more information.

Has Your GSRA Membership Expired? Renew today!

BEST way to renew: Online, by credit card! 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. If you 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 it to GSRA, PO Box 2391, Newnan, GA 30264. If you receive GSRA Newsletters by US Mail, 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 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!

ERS DISCONTINUES MAILING NOTICES WHEN PENSION CHECK CHANGES

With the recent change in retiree health insurance premiums, many ERS retirees have wondered why they never received an official itemized ERS notice detailing the change and showing the new net amount of their monthly pension. In response to GSRA members' questions, we asked ERS and have been advised that unless there is a Cost of Living Adjustment (COLA) that changes the gross amount of our benefit, no paper notice will be mailed. According to ERS staff, discontinuing these routine mail outs to retirees will save the ERS over \$17,500 each time in printing and postage. So, if you change your tax withholding, or the Federal or State tax withholding tables change, or health or dental insurance premiums change, no paper 'advice' (check stub) will be sent.

Instead of receiving a paper notice from ERS, you will need to access your account information by setting up an online account at www.ers.ga.gov, where you will be able to see your gross amount, and all deductions from your pension. Or you may call your bank to see if ERS has supplied enough withholding detail to pass along to you by phone. If neither of these options will work for you, ERS further advises that you may request a paper 'pay stub' by mail. Just call them at (404 350-6300 or toll free 1-800-805-4609); send a request by Email to contact@ers.ga.gov or send a written request by mail to Employees Retirement System, Two Northside 75, Suite 300, Atlanta, GA 30318.

PROPOSED HEALTH CARE REFORM AND MEDICARE ADVANTAGE PLANS

GSRA Leadership learned last month that national health care reform as proposed in Senate HR 3590 would specifically exempt seniors in certain Florida counties from funding cuts in Medicare Advantage Plans. Even with the current uncertainty surrounding the health care reform debate, we thought it important to make known our objection to this particular provision of the bill. Below is the text of the letter dated January 27, 2010 that was sent to Attorney General Thurbert Baker to express support of others' requests to look into the constitutionality of this part of the bill.

Dear Attorney General Baker:

The Georgia State Retirees Association (GSRA) thanks you again for your participation at our annual meeting last October. We very much appreciate your insightful answers to our questions at the roundtable discussion panel with other gubernatorial candidates.

Among those issues greatly concerning state and teacher retirees is the Department of Community Health's decision to discontinue all employer contributions to premiums for health insurance options other than Medicare Advantage Plans (MAPs) for all Medicare-eligible individuals who are enrolled in the State Health Benefit Plan. GSRA was gratified with your expressed position to restore choice for retirees. Until that occurs, however, GSRA is also greatly concerned with the current U.S. Senate HR 3590, Patient Protection and Affordable Care Act, and its dramatic cuts in funding for Medicare Advantage Plans for most seniors, but not for those seniors in specific counties in the State of Florida.

We know that the bill is still under discussion, but we understand that Senators Chambliss and Isakson, among others, have requested your opinion on the constitutionality of what would be unequal treatment of retirees who are enrolled in MAPs in different parts of the United States. GSRA wholeheartedly supports their request of your opinion and adds its request to that of the honorable U.S. Senators.

Sincerely,



Bobbie Jean Bennett, President

DCH Announces Regulation Changes for SHBP

The Department of Community Health has announced that a public hearing will be held on March 24, 2010 at 11:00 a.m. for the purpose of oral comments on proposed SHBP Rule changes. The notice and proposed changes are posted to the DCH website, www.dch.ga.gov.

Four Rules for Chapter 111-4-1 are proposed for amendment: Definitions, Organizations, Plan Benefits and Claims.

- **Definitions** are changed to reflect modifications in state law and administrative policy and to include definitions used in other proposed rule changes.
- The **Organization** Rule is changed to better reflect the revised billing process, to clarify that the SHBP shall be administered in accordance with federal law, to eliminate references to specific plan design terms, to clarify certain obligations of Employing Entities, and to clarify that any penalties or expenses arising from an Employing Entity's failure to meet those obligations may be assessed against the Employing Entity.

- **Plan Benefits** are being changed to state that the SHBP shall be designed to comply with the goals set forth in Georgia law, to describe the process by which the board establishes the plan design and to eliminate specific plan provisions.
- **The Claims** Rule is proposed to clarify that the two-year time period for filing claims is a maximum liability period.

GSRA will present comments about the proposed changes in the Plan Benefits Rule. This Rule proposal appears to allow a different employer contribution rate based upon the member's chosen option, and it further separates Medicare covered retirees from non-Medicare covered members. GSRA comments will be posted to the GSRA website, www.mygsra.com. **YOU are encouraged to read the proposed changes and comment to DCH and to GSRA Communications Committee at communications@mygsra.com.** We will provide additional information before the public hearing.