

July has been a Very Good Month for Retired State Employees

By Chuck Freedman

July has been an especially good month for Georgia state retirees. Three major accomplishments of GSRA for ERS members have been achieved this month.

- We met with and have received a statement from gubernatorial candidate and former House Minority Leader Stacey Abrams promising to not only support and work to fully fund and implement annual 3% COLAs within a short period of time, but to support and implement many other actions we asked of her.
- We have received the first payment of our first compounding permanent COLA since 2009.
- We have had two of our nominees appointed to the SHBP Advisory Council which itself was implemented as a result of GSRA's tireless efforts culminating in 2016.

These truly significant accomplishments result from long and hard work by your GSRA leaders and Legislative Committee, and those of you who have continuously formed relationships with your legislators and have responded to GSRA's action alerts. As so articulately stated by our good friend House Retirement Chairman John Carson, we have been heard and responded to by Governor Kemp, the General Assembly, and the ERS board. Although we are not all the way to our goals, we are much further along than ever before. We have never given up and together shall continue to persevere.

Full coverage of Leader Abrams's statement, our announcement, and Chairman John Carson's press release on the new COLA payments, as well as coverage of our nominees being accepted to serve on the SHBP Consumer Advisory Council follow.

2022 GSRA Annual Meeting

While the Annual Meeting is not exactly "right around the corner," we encourage everyone who plans to attend to register by September 1, 2022. We'll be meeting at picturesque Lake Blackshear Resort at Veteran's State Park, just outside Cordele, on October 3 and 4, 2022.

Why the early registration deadline? Several reasons. By September 1, we have to give the resort the number of attendees who will be eating lunch on that Tuesday. Those who have registered by then will be served first, and we cannot guarantee enough food for those who register after that date. Also, there is a limited number of rooms at the Resort, so be sure to make reservations as soon as possible so you'll be able to stay on site. And finally, the cost of registration rises from \$35 to \$40 as of September 1.

Unfortunately, the COVID virus just won't go away. We recommend those who are coming to the meeting be vaccinated and boosted. We certainly don't want our Annual Meeting to become a super-spreader.

Lake Blackshear Resort offers golf, boating, hiking and scenic views all around, so plan to stay an extra day or two to enjoy a nice getaway. We are planning an excellent meeting and are hoping for a strong turnout. It will be good to see everybody there!

[Annual Meeting Registration](#)

[Hotel Reservations](#)

Stacey Abrams Meets with GSRA and Issues Statement of Support for State Retirees

By Chuck Freedman

At the conclusion of this spring's primary elections, GSRA sent a question to each of the gubernatorial candidates. We asked them whether they would restore our annual, compounding 3% COLA.

On July 8, Democratic candidate and former House Minority Leader Stacey Abrams and two of her key staff met via Zoom with GSRA representatives. Campaign Policy Director Sara Totonchi and Advisor Alan Essig participated along with the candidate. For GSRA, President Beverly Littlefield, Past President Jim Sommerville, Legislative Committee Chair Chuck Freedman and Legislative Liaison Chuck Clay attended. The meeting was both cordial and productive and started with discussing the restoration of our COLAs and the amount and nature of the restored COLAs. It eventually covered virtually the full spectrum of GSRA's current legislative goals. At the end of the meeting, Leader Abrams and her staff agreed to state her positions on these issues in writing. Following is the statement she provided:

A pension is a promise. Georgia has failed to fulfill its promise to retirees since 2009. I am committed to restoring a regular, meaningful COLA benefit for Employees' Retirement System of Georgia (ERS) retirees. As Minority Leader, I collaborated closely with the Georgia State Retirees Association (GSRA) to advance this goal. As Governor, I will continue this commitment, specifically:

- *I will work towards fully funding annual 3% compounded COLAs as soon as possible, which may not be done my first year in office. I will use my financial expertise to identify and select the best of the available methods for financing the increase.*
- *I will collaborate with the ERS board and its executive director to adopt a policy to prefund COLAs in the same manner as the Teachers' Retirement System of Georgia (TRS), which includes funds for COLAs within the board's actuary's projected annually determined employer contribution (ADEC). This collaboration will*

ensure all prefunded COLA funds are awarded to retirees as COLAs and not used for other purposes.

- *I will support the board and executive director in their efforts to fully fund the pension fund's actuarial liabilities.*
- *I will continue my regular consultations with GSRA on policy and fiscal matters impacting retirees.*
- *I will support retirees being represented on the ERS board of trustees. To that end, I will collaborate with the board to ensure GSRA nominees are selected by the other members of the board to be trustees for two of the board's seven positions. Furthermore, I will support a bill to amend OCGA 47-2-21 to provide that the governor shall review and consider nominees "of any organization of state retirees consisting of at least 1,000 members" prior to making the governor's appointment authorized by that paragraph.*
- *Should the ERS advance a bill to amend OCGA 47-2-29(b) to permit members of the newest ERS retirement plan -- the Georgia State Pension and Savings Plan (GSEPS) -- to receive COLAs, I will support that bill to be held over for actuarial review for fiscal impact.*
- *I will initiate and support a bill statutorily providing a State Health Benefit Plan consumer advisory council to the board and commissioner of the Department of Community Health (DCH).*

GSRA leadership is delighted with the depth, expansiveness, and commitment of this statement. We are gratified with the high level of support that it demonstrates for retired state employees.

We are awaiting a statement from Governor Kemp. We note that in addition to his policy advisors, the governor has twice met personally with GSRA representatives. He has also supported GSRA's bill to allow us to nominate two of

the ERS board's seven trustees, and he worked with ERS and the General Assembly to fund a 1.5% COLA for FY 2023, our first COLA since 2009.

Reminder: Cola/Post Retirement Benefit Adjustment Starts this Month

As a reminder, in April the ERS Board of Trustees approved a 1.5% monthly cost of living adjustment (COLA) for retirees and beneficiaries that was reflected in the July monthly benefit payment payable at the end of the month on Friday, July 29th. This is the first adjustment to the base benefit in over 13 years and will be payable for life. GSEPS retirees with a membership date on or after 07/01/2009 are excluded since this group is specifically excluded by statute from receiving post retirement adjustment payments.

See the ERS website at www.ersga.gov for additional information and stipulations.

Rep. John Carson Commends Cost-of-Living Adjustment for Retired State Employees

By Chuck Freedman

House Retirement Committee Chair John Carson, a good friend of GSRA and this year's recipient of our annual legislative service award, has issued a press release about our COLA. This is the text of that release:

ATLANTA – State Representative John Carson (R-Marietta), chairman of the House Retirement Committee, commends the recently adopted 1.5 percent cost-of-living adjustment (COLA) for retired state employees. The General Assembly has provided a one-time benefit adjustment to state retirees in recent years, but funding in the Fiscal Year 2023 budget allowed for the first true COLA for Employees' Retirement System (ERS) members in 14 years. Retired state employees will begin receiving this COLA starting with their monthly benefit payment on Friday, July 29.

"I am proud of the House and Senate Retirement committees and Governor Brian Kemp for advocating for the first true COLA increase for state retirees in many years," said Chairman Carson. "I also want to thank the Employees' Retirement System Board of Trustees for working with the General Assembly to implement this increase. This increase is an important step in honoring our commitment to taking care of our retired state employees. Retired state employees are being squeezed by record-breaking inflation rates ... and this increase will begin to help real Georgians across our state."

This is not a one-time payment, and the increase will be provided for life. Future COLAs for ERS members will be based on investment returns and the system's funding ratio and can vary from zero to three percent. The last true COLA

for ERS members was provided 14 years ago in the state's Fiscal Year 2009 budget.

"The members of the House of Representatives take seriously our responsibility to be good stewards of the state's investments while ensuring we reward those who have given a lifetime of service to Georgians," said Speaker David Ralston (R-Blue Ridge). "I want to commend Chairman John Carson and the members of the House Retirement Committee for working with Governor Brian Kemp's Office and the Employees' Retirement System to see that this well-deserved Cost-of-Living Adjustment was implemented for our state retirees."

During the 2022 legislative session, the General Assembly included additional funding in House Bill 911, the Fiscal Year 2023 budget, to provide this COLA for state retirees. The FY 2023 budget includes \$119.6 million overall to increase the employer contribution rate for the following initiatives: provide a cost-of-living adjustment for retirees, increase the 401(k) match to nine percent for Georgia State

Employees' Pension and Savings Plan members and fund the employer share of accrued forfeited leave for retiring employees.

For more information about the 1.5 percent COLA increase for ERS members, please click [here](#). Representative John Carson represents the citizens of District 46, which includes portions of Cherokee and Cobb counties. He was elected to the House of Representatives in 2011 and currently serves as Chairman of the House Retirement Committee. He also serves on the MARTOC, Rules, State Planning and Community Affairs, Energy, Utilities & Telecommunications, Ways & Means and Intragovernmental Coordination committees. He is also an Ex-Officio member on the Appropriations Committee.

As stated in previous newsletters, GSRA is grateful for this COLA and for the concerted efforts by Governor Kemp, OPB, Chairman Carson and the General Assembly, and ERS for making it happen. We have also noted that we hope that all parties will continue their good work to fully fund and award annual 3% COLAs in the near future.

Record Surplus Expected

By Jim Sommerville

Among the recent spate of bad news concerning increasing inflation and rising gas prices, there was the good news that the State of Georgia is expected to end the most recent fiscal year with a record budget surplus.

The Atlanta Journal-Constitution recently reported that when the financial books are closed on the current fiscal year, it is expected that the budget surplus will significantly exceed last year's \$3.7 billion budget surplus.

As you recall, despite considerable effort, GSRA was unsuccessful last year in obtaining additional funding from the Governor/General Assembly to supplement the \$150 million that the Governor had included in his budget proposal to prefund COLAs. Instead the Governor elected to provide a tax rebate to all taxpaying Georgians. At least that was what was understood to be the case.

However, it turns out that the Governor/General Assembly cut out most retired Georgians from receiving a tax rebate. Since retirees already benefit from the first \$65,000 of their pension being exempt from state taxes, most of you may submit a tax return but end up not paying any taxes because of the aforementioned exemption.

Consequently most retired state employees got a double whammy this year. Not only was our COLA this year only 1.5% instead of 3%, but we will not benefit from the budget surplus-funded tax rebate.

We do not want to suffer the same fate in 2023 that we did in 2022. GSRA is working hard this summer to encourage both gubernatorial candidates to use a portion of the expected budget surplus to ensure that state retirees can enjoy a 3% COLA for the next couple of years. **If we can accomplish this goal, then annual compounding of the COLA will have a greater impact, and sooner, on peoples' cumulative benefits, year over year. This would somewhat counteract the constraints of the formula methodology implemented this year by ERS to determine the COLA percentage to be granted from this point forward.** We are also discussing this issue with our friends in the Georgia General Assembly.

You can help GSRA leadership with this effort. This is an election year. I am sure you have or will be bombarded with emails, text messages and or people knocking on your door seeking your vote for some candidate. Take these

opportunities to push our cause. If you have an opportunity to meet a candidate in person, tell them you are a retired state employee and that you demand the state live up to its commitment and fund a 3% annual COLA for eligible state

retirees. Mention that the expected record budget surplus should be used in part to fully fund the cost of an annual 3% COLA.



Top of Mind: If You Have Your Health

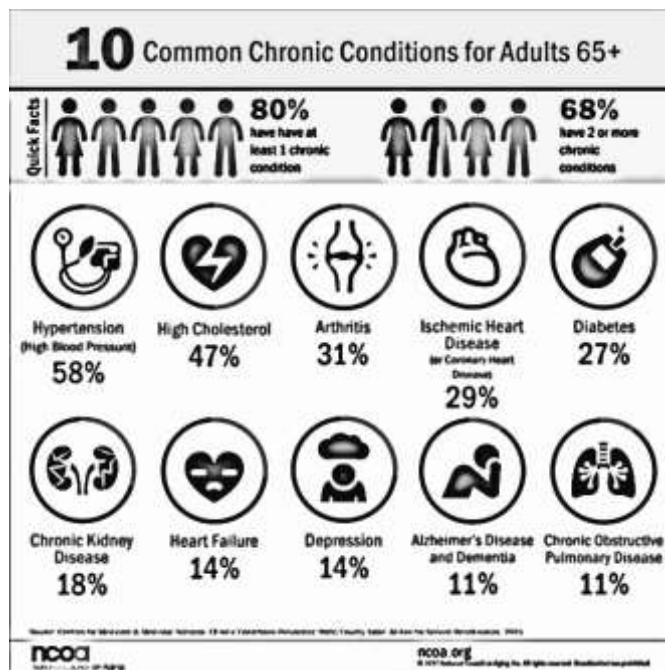
By Beverly Littlefield

Ralph Waldo Emerson said, “The first wealth is health.” Variations on that theme include, “if you have your health, you have everything,” and “Without your health...” Well, you get the point. Our health is priceless.

But, as we get older, we begin to see some price tags attached to maintaining our health and independence. Naturally with age some things change. But some of us maybe really got into the aerobics and fitness wave of the 1980s or with our state jobs were very physically active every day. Hopefully, we’re seeing the benefits now, in terms of sustained activity levels and relatively few medical problems. Others may have “flown a desk” for 20+ years and/or have struggled with lifelong health issues. Still, we continue to try to manage our self-care.

If you’re living with one or more chronic health issues, a large part of the self-care equation is the necessity of taking prescribed medications. Having access to primary and specialty medical care, plus to the medications commonly prescribed in the management of chronic conditions, is vital to maintaining one’s independence as we get older. Most of us are members of one of the SHBP-sponsored Medicare Advantage Plans (MAP). Many people like them because some insurers charge enrollees (who must provide proof of Medicare Part B coverage) no premium for standard coverage. And, that’s great if you’re basically healthy and don’t use a lot of physician/health care services and medications. But for MAP members who rely on prescribed medications for one or more health problems each and every day, the picture may not be so rosy. An examination of Medicare data by the National Board of Economic Research (NBER, 2021) showed that a relatively small increase in out-of-pocket (OOP) prescription drug costs of \$10 per prescription led to a 33% increase in mortality among the members. Yes. You read that correctly. An increase of only \$10. Even with an OOP cost cap, MAP enrollees may incur thousands of dollars in

total OOP expenses before reaching that limit. As a result they may delay or forego care, including using medications as prescribed because they can’t afford to. For them, their



health insurance coverage simply doesn’t adequately cover their needs.

The Kaiser Family Foundation also examined (2021) cost-related problems among Medicare beneficiaries, comparing “original” Medicare beneficiaries to MAP enrollees. More than 80% of Medicare beneficiaries also purchased supplemental coverage, sometimes called Medigap policies. They reported fewer cost-related problems than MAP enrollees. But, as a condition of participation, MAP insurers do not allow members to add supplemental coverages that would help cover OOP costs.

Enrollment in Medicare Advantage Plans continues to grow nationally and a large number of GSRA members choose MAP enrollment. Coupled with the effect of

inflation on retirement income, increases in Out of Pocket expenses and other disparities in coverages and economic impacts are a significant concern.

Those national studies made me want to know what our GSRA members enrolled in a SHBP MAP are experiencing, especially with managing co-pays and other out-of-pocket expenses. So, to find out, we designed a survey, put it out there, and over 600 of you responded! Thank you!

We needed only a little more than 300 responses to provide a statistically-accurate sampling, not only for our known GSRA membership of about 5,000 members, but for the entire projected population of state retirees, numbering around 55,000. So we believe we can stand on the data as being accurate and highly representative of state retirees in general.

Here are a few highlights:

- Only 40% of respondents indicated having *no* problem covering co-pays and OOP expenses for prescribed medications.
- About 59% expressed difficulty outright, or some degree of difficulty, covering co-pays.
- Most respondents, about 68%, didn't have to skip filling/or refilling a prescription because of OOP expenses. But 32% did report problems to some degree.
- 70% of respondents reported no problems with making prescriptions last long enough to use as prescribed. About 29% did report a problem.
- 67% of respondents did not have to choose between filling/refilling prescriptions and meeting other obligations. 33% did.

- When asked about the next greatest insurance/healthcare concern, besides medications, 36% said “high/unpredictable” OOP expenses generally.
- And, most interesting, when asked if they would be willing to pay a somewhat higher premium for more predictable, manageable coverages and fewer OOP expenses, nearly two-thirds agreed fully or in part with that choice.

To round out the overall picture, consider that the largest provider of Medicare Advantage Plans in the country, United Health Care, realized a 20% increase in profits since 2020. This despite the impact of the COVID-19 pandemic. (Another story.) Anthem, the next largest, has collected \$16.1 billion more in premiums than it paid out in benefits, since 2019. ([MedPage Today](#), May 2022)

When we met with the leadership of the SHBP last month, we shared our findings and asked that they consider our data as they negotiate future plan options and contracts. No promises were made and there are no guarantees, but, because our health is our real wealth, and while many of our members are doing just fine with their insurance coverage, we won't be satisfied until everyone is.

I invite you to look at the data posted on the GSRA webpage at [Final SHBP MAP OOP Rx Survey Data.pptx \(live.com\)](#). (For best viewing, click on “Start Slideshow” at the top of the page.) And keep in touch if you're having a problem. We'll try our best to help.

DCH Appoints Two GSRA Members to SHBP Consumer Advisory Council

We reported in last month's newsletter that SHBP Director Louis Amis had agreed to consider GSRA nominees for appointment to the SHBP Consumer Advisory Council. GSRA is delighted to learn that DCH has accepted the nominations of former GSRA President Bobbie Jean Bennett and retired HR director and current HR consultant Rosa Spencer. We know they will represent retirees well on the council.

Local Chapter News

Central Metro

Central Metro held meeting June 16th with State Senator Elena Parent as guest speaker.



Senator Elena Parent and Central Metro President Sam Shepherd

NW Metro

NW Metro chapter met on Tuesday, July 19, from 10:30 am – 12:45 pm. The location was the Vinings Library in Cobb County.

This was the first chapter meeting in almost a year and we were honored to have both Beverly Littlefield, GSRA’s current president, and Jim Sommerville, GSRA’s former president, as our guests and speakers. They covered the many actions, accomplishments, and successes of GSRA’s Board and Committee members, who have been very involved and busy during the last 12 months. They emphasized the critical role Chuck Clay, GSRA’s Legislative Liaison, has played in advocating for our issues

and recognized Chuck Freedman, GSRA’s Legislative Committee Chair, for his connections and savviness. They confirmed the increasing number of legislators who are and have been supportive of GSRA’s efforts and goals.

Beverly and Jim provided updates on topics important to members: our COLA’s, GSRA’s Mission and Vision, GSRA’s Strategic Plan, Legal Fund, and Annual Meeting. They also shared information concerning a recent meeting with the Department of Community Health and our health insurance.

There was an opportunity for discussion and Q & A so members could have their questions answered and offer suggestions. It was a very informative and productive meeting!

Following the meeting, many members headed to the nearby Vinings Jubilee and enjoyed lunch together at the Stockyards restaurant. Everyone agreed it was good to see one another and are looking forward to the next time!



Beverly Littlefield and Jim Sommerville address NW Metro chapter



Donate to GSRA Legal Fund

GSRA's Legal Fund was established as a dedicated legal fund in the event that leadership, on behalf of its members, ever has to retain legal counsel. The fund will be used to cover all appropriate legal fees related to ensuring that retiree benefits are not reduced or eliminated.

Every donation makes a difference. For more information and to donate to this fund click on the link below.

[GSRA Legal Fund](#)

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APCU partners with Member 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 Ramon, a Managing Associate with Member 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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