

GSRA Meets with ERS Executive Director

GSRA officers recently met with the Employees Retirement System Executive Director Jim Potvin and ERS staff to discuss ERS issues and GSRA legislative proposals.

As required by ERS Regulations, the Chair and Vice-Chair are elected annually. Therefore, at the June meeting the Board of Trustees elected Steve McCoy as Chair and Sid Johnson as Vice Chair for FY 2014. McCoy and Johnson are ex-officio members of the Board of Trustees. McCoy is the State Treasurer and Johnson is the Commissioner of the Department of Administrative Services.

Director Potvin reported that he is participating with a group of State officials to develop a funding policy for the ERS to be presented for approval to the Board of Trustees. Each of the state sponsored retirement systems will develop and adopt a policy suitable to the respective Board of Trustees. The new policies are needed for pension systems to properly comply with the new Governmental Accounting Standards Board (GASB) Standards 67 and 68 relative to reporting liabilities and funding. As reported in previous articles, GASB has adopted policies that change how future liabilities (unfunded liability) will be reported. Although the method of reporting liabilities will result in more volatility because the smoothing technique will be limited, the pension funding policy will not necessarily be tied to the reported future liabilities. The policy will not address the issue of COLAs. However, GSRA has already reported that the employer rate on compensation is scheduled to increase by 3.5% in FY 2015 – under the current funding policy. GSRA will provide additional information as it becomes available.

Director Potvin reported that the ERS asset market value as of May 31, 2013 was \$12.4 billion (expected to be \$12.5 billion as of June 30), which is better than the June 2012 market value. However, the market value of the fund would need to approximate \$16 billion to place the fund in as favorable position (liabilities around 90% funded) as it was in FY 2007. Potvin stated that the increased employer contribution is improving the cash flow, that a continued reduction in the number of active employees negatively

2013 GSRA Annual Meeting *State Government: It Matters!*

October 14-15, 2013

Athens, Georgia

Classic Center and Foundry Park Inn & Spa

Legislative Panel invitees

Sen. Jack Hill, Sen. Appropriation Chair

Sen. Fran Millar, Sen. Retirement Chair

Rep. Stacey Abrams, House Minority Leader

Rep. Terry England, House Appropriation Chair

have all confirmed their participation

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impacts the cash flow, and that the increased benefit payments require investment planning to meet cash requirements. The Director also stated that the investment rate of return for FY 2013 will be much better than FY 2012—maybe in the 10-12% range.

The number of employees retiring in ERS swelled to an unprecedented 700+ in June. June 1st was the latest time for employees to retire to receive the “bump” in retirement of 3% of \$37,000 for the Tax Offset. As GSRA previously explained, the 3% “bump” was awarded by the Board of Trustees as a result of litigation in the 1980s regarding the inclusion of state retirement benefits as income for state income tax purposes. Since laws have been implemented to exclude retirement benefits (up to \$65,000) for persons

age 65 and above, the purpose for the 3% "bump" is no longer valid. However, the elimination substantially raised the number of retirees who pushed their retirement forward in 2013

GSRA legislative liaison Chuck Freedman asked Director Potvin to provide GSRA with a statement about the implementation of the "Alternative Investment" provisions. The status will be printed in the GSRA newsletter when it is received.

GSRA officers asked Director Potvin about the possibility of implementing payroll deductions for GSRA dues. He stated that he would review the information provided and respond to the request. Director Potvin reported that providing contact information on retirees will

probably not be supported-even though prospective retirees (names and departments from which retiring) may be provided to GSRA in the future.

GSRA thanks the Employees Retirement System officials' openness. While the responses are not always particularly favorable to the retirees, willingness to discuss the issues is appreciated.

Late Breaking News

ERS Executive Director Potvin confirms the FY 2013 investment return at 13.25%. The five-year average will be reported at a later date.

GSRA Needs You to Volunteer!

In the June Newsletter, we outlined the organization of GSRA and explained that it only functions because of the actions of a lot of retiree volunteers. Now, we need YOU to volunteer your time and talents to GSRA for at least 1 year.

The Board needs a SECRETARY for 2014 and several board members. In addition, we especially need volunteers for furthering membership and marketing activities for the association. If you like to solicit new members or just want to help with the "back room" activities of moving membership, we need YOU. Please respond by sending an

email to: President@myGSRA.com. Tell us a little about yourself (where you worked, what you did for the department) and what you would like to do.

As described in last month's newsletter, membership is not the only function where volunteers are needed, however. If you are willing to devote your time and talents in any way to GSRA, send an email and tell us what you are volunteering to do. GSRA appreciates your willingness to get involved!

Deal: Rainy Day fund continues to grow¹

Since Gov. Deal took office in January 2011, Georgia's Rainy Day fund has increased by more than \$500 million, or more than 400 percent.

Georgia keeps a revenue shortfall reserve, or "rainy day fund," to cover any downturn in revenues. Records show that during the 12-month fiscal year when Deal took office, Georgia's reserve fund was roughly \$116 million. To put things into perspective, this is only enough money to fund state operations for approximately two days. Essential functions of government were at risk in the event of even the slightest hiccup. By the close of fiscal year 2013, the fund is projected to be more than \$600 million.

"Signing budgets that adhere to conservative principles has given me the ability to replenish our rainy day fund," said Deal. "I remain committed to building up this strategic reserve by keeping our spending in check.

State Health Benefit Plan Bidding for Process Administrator

The Department of Community Health released in March 2013 a "Request for Approach" for Third Party administration of medical claim payments, medical networks, pharmacy benefits, wellness benefit administration, and other services. The target date for DCH to conclude the process and issue a decision was June 30, 2013. Although there was indication in the Atlanta Journal Constitution that a decision had been reached and that the announcement would be provided during the 3rd week of July, the SHBP administrator reported on July 11th that the decision continues to be open. GSRA expects to report the DCH decision in the August newsletter. The effective date of any change is projected to be January 1, 2014.

¹ Reprint from the July 10, 2013 Office of Governor Nathan Deal's newsletter.

Check Out This SHBP Opportunity to Get Fit

The SilverSneakers® Fitness Program
Inspiring Older Adults to Get Active and Stay Fit

Silver Sneakers is a benefit through the State Health Benefit Plan for those covered by a Medicare Advantage Health Insurance Plan. Its purpose is to support physical activity in seniors in order to improve or maintain the ability to meet one’s own needs. The ability to take care of yourself is an important factor in determining where and how you live and what support services you need.

Adults age 65 or older who adopt a physically active lifestyle can substantially improve their health to get more out of life and reduce their risk of developing chronic conditions such as diabetes. Being “physically active” does not mean participating in an exercise class or using gym equipment, although both are options. SilverSneakers can be adapted for each individual; it is about regular and consistent activity that suits your lifestyle now. Regular participation in the program has been proven to help older adults manage their health and increase strength, balance and endurance.

There are three ways to participate in SilverSneakers; at a facility, online with your computer, or at home with your television and DVD player. There are no costs associated with participation for Medicare Advantage Plan members.

Call 1-888-423-4632 Monday through Friday, 8 a.m. - 8 p.m.

1. **SilverSneakers at a participating location** - Simply take your SilverSneakers Member ID card

to a SilverSneakers participating fitness location. No SilverSneakers card? Bring your health plan ID card with you to tour the location and to see all the amenities you’ll enjoy as a SilverSneakers member. There are more than 11,000 fitness centers, gyms, YMCAs and Curves® locations from which to choose.

2. **SilverSneakers Online** - It is easy for you to be part of a thriving and secure online community. At silversneakers.com/member you will find a comprehensive, easy-to-use wellness resource for eligible members of health plans that include SilverSneakers as part of their benefits. Once you've signed up you will have access to all the features including:
 - **nutrition**, fitness and health improvement plans and trackers
 - health-related articles and recipes
 - **virtual exercise** video demonstrations
 - streaming video of SilverSneakers classes
 - **advice** from experts in exercise, nutrition and life skills, and much more!
3. **SilverSneakers Steps** - SilverSneakers Steps is a personalized fitness program for members who don’t have convenient access to a SilverSneakers location. After registering as a Steps member on www.silversneakers.com/member you’ll receive a kit with tools to help you get fit, including resistance bands, an exercise DVD and “how-to” material.

New Members in June

| Name | County | Name | County | Name | County |
|------------------|---------|-------------------|----------|------------------|-----------|
| James Arnold | Ware | Frances Edwards | Baker | Marlene Tompkins | Wilkinson |
| Jeff Blankenship | Fulton | Wanda Foskey | Laurens | Thomas White | DeKalb |
| Kim Blue | Laurens | Barbara Holmes | Fulton | | |
| Tjuana Callahan | Fulton | William Hutson | Muscogee | | |
| Deanna Carroll | Ware | Lisa Reeves | Walker | | |
| David Carter | Appling | Margaret Sorrells | Douglas | | |
| Winnifred Edge | Laurens | Elaine Thompson | Glynn | | |

Local Chapter Highlight - Thomasville



Thomasville officers Vice-President Calvin Turner, Secretary Rosa Baety, Membership Chair Vivian Hayes, President Lynell Hayes, Treasurer Samuel William

| | |
|---|--|
| Meeting Schedule | Monthly, 2 nd Monday at 5:30 PM |
| Meeting Location | Thomas County Public Library, 201 North Madison St, Thomasville |
| Counties Covered | Thomas, Grady, Decatur, Seminole, Mitchell, Colquitt, Brooks and Jefferson Co., FL |
| Members From | DOL, DPH, DPS, DFACS, DOT, DOC, DHR, DOR, DJJ, DCH, and Local School Systems. |
| Membership | 164 members |
| Chapter's Highlights last six months | Chapter "Vacation Day" at Albany Aquarium and Ray Charles Plaza, Hosting the first GSRA Regional Meeting |
| Chapter's 2013 Goals | Expanding chapter membership, recruiting active employees, increasing current member participation in local chapter and statewide association activities |
| Chapter's next program or fun event | Participate and pass out association information at upcoming citywide shopping event, <i>Diva Day Extravaganza</i> , in Thomasville |
| Contact | thomasvillegsra@rose.net |

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Remember to Save this Date!

2014 GSRA Day at the Capitol and Legislative Reception

January 29, 2014

Atlanta

Plan now to make your voice heard!

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 at the bottom of this page.

Correction: In the recent Annual Meeting and registration information sent to members, we misspelled the name of one of our meeting invitees. UGA’s Dr. Doug Bachtel has been invited to present. We apologize for the mistake!

Georgia State Retirees Association

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