

2016 GSRA Annual Meeting

Celebrating Our Successes!

October 17-18

Anderson Center, Macon

Complete details and registration coming soon

Thomasville Local Chapter Regional Meeting – *Retirees Working Together*



ERS Executive Director Jim Potvin addresses the Thomasville regional meeting

The Thomasville Local GSRA Chapter, under the leadership of Lynell Hayes, hosted a regional GSRA meeting in Thomasville on June 1, 2016, with all GSRA members and all area active and retired state employees and educators invited to attend. Thomasville local chapter President Hayes

highlighted how all public leaders, employers, and retirees must work together to provide services to Georgia citizenry. GSRA President Kip Mann highlighted GSRA marketing and collaboration plans with other associations, and GSRA Legislative Committee Chair Chuck Freedman and GSRA Legislative Liaison Chuck Clay briefed the members about legislative activity during the 2016 session. The guest speaker, Employees Retirement System Executive Director Jim Potvin, briefed the members about ERS funding, actuarial report findings, and investment income and then followed up by answering members' questions.

GSRA President Kip Mann stated that marketing of GSRA is the next big push for GSRA members. He asked each person to find three retired employees –state, educators, etc.—and convince them to become members of GSRA. We will continue the coalition building with other associations, such as the Georgia Professional Health, Transportation Engineer's, Professional Association of Educators, Georgia Association of Educators, Georgia Retired Educator's Association, TRAGIC, and others to combine efforts, when appropriate, to accomplish common

goals. The final marketing goal is to revitalize local chapters that have become inactive in fulfilling common goals.

Chuck Freedman, Chair of the GSRA Legislative Committee, reported that during the 2016 Session, the Legislative Committee had attempted to involve at least one person from each local chapter to help with educating our elected leaders about our issues. He encouraged all members to work at getting-to-know their elected representatives. Freedman reported that Representative Terry England and Representative Debbie Buckner were champions this year—Rep. England worked to add the 3% one-time retiree payment in the FY 2017 budget, and Rep. Buckner sponsored a resolution to establish a Customer Service Council for the State Health Benefit Plan. Freedman also reported that GSRA goals are to fully fund COLAs for future years, include COLAs in the actuarial assumptions for funding, and to solicit the Employees Retirement System to seek legislation that allows COLAs for members of the Georgia State Employee's Pension and Savings plan (GSEPS).



GSRA Legislative Committee Chair Chuck Freedman presents at the Thomasville regional meeting

GSRA's Legislative Liaison, Chuck Clay, asked the attendees to help educate their legislators about the retirees' issues regarding COLAs and the State Health Benefit Plan. Sometimes, the legislator just needs additional information to secure his/her support, but always thank the legislator for

help and support. Clay reported that Governor Deal had appointed a retired state employee and GSRA member, Mark Trail, to the Board of Community Health. Clay encouraged members to stay focused and keep open communications to the GSRA Legislative Committee.

ERS Executive Director Jim Potvin stated that the ERS manages five defined benefit (DB) plans, three defined contribution plans and the group-term life insurance plan. He explained that independent actuaries evaluate each DB plan annually and that the latest actuarial reports show that the "funding ratio—the percentage that the plan's projected retirement liabilities are covered by projected assets" improved in all five DB plans. The ERS fund has a "funded ratio" of 74% that slightly improved during FY 2015. Director Potvin further explained that the actuaries re-evaluate assumptions, such as life expectancy, retirements, and salaries every five years. The 2009-2014 evaluation indicated minor modifications that were included in the latest actuarial report.

Director Potvin stated that in projecting the "actuarially determined employer contribution (ADEC)" funding, the investment income rate is assumed at 7.5%—variations in actual investment performance are smoothed over a five year period. The investment income rate for FY 2015 was 3.74% and, as of May 2016, the FY 2016 rate is at 1%. Although in FY 2014 the investment income rate was at 17%, the low rates in FY 2015 and FY 2016 may mean that the next actuarial projection will show a lower "funded ratio" than the 74% for 2015. Annual retiree benefit payments for the ERS is \$1.3 billion. Over the last ten years, the distribution of revenue to pay retiree benefits is: 6% from employee contributions, 34% from employer contributions, and 60% from investment income.

Director Potvin also stated that several actions have been taken to assure adequate funding in the DB plans. The Board adopted in 2013 a funding policy to fully fund the plan in (a closed period of) 25 years; actuaries changed the assumption that the active employee payroll will stay level rather than increasing each year. With a stable or decreasing active payroll, the employer contribution rate has increased to generate \$505 million in FY 2015. He stated that the 3% one-time payment (benefit under \$30,000 annually) will hopefully be made to members no later than August 31st in accordance with the Board's policy. Director Potvin stated that his goal is to see COLAs paid every year; however, he

pointed out that he also has a responsibility to see that the plan is financially sound.

Questions and responses for Director Potvin are reflected below:

1. **Explain the connection of funding and AAA bond rating.** The pension plan is a component of the overall debt and other obligations of the state of Georgia. When the funded ratio of a public plan is allowed to deteriorate to a level that investors become concerned about the entity (i.e. the state) having the ability to meet its future contribution requirements, the bond rating is lowered. A lower bond rating requires the public entity to pay a higher interest rate to borrow money, which is common when expanding or renovating real property (i.e. public schools and universities).
2. **What is the funded ratio for the Teachers Retirement System?** Around 79%.
3. **What was the investment income rate for the TRS?** Both the TRS and ERS have almost the same investment policies with the exception of the “Alternative Investment” strategy of the ERS. The investment income rate experienced by the TRS and ERS is about the same (i.e. about 3.7% for both systems). For 2015, the Alternative Investment income rate of return was greater than the larger asset pool.
4. **Do you think that you will move a lot more assets to the “Alternative Investments”?** We are limited by law to moving more than 5% of assets to Alternatives. Contracts for this type of investment run about 10 years. Generally, an investor can enter into the contract after it has begun only when one (or more) of the investors want to liquidate that investor’s share. At this time there is only a small portion of assets (less than 1% of the fund) in Alternatives for a long contractual period. It is premature to talk about expanding the 5% limit of assets in Alternatives.
5. **What is the breakdown of investment categories?** Generally, 70% of assets are

invested in stocks and 30% are invested in fixed income instruments. Recently, the rate of return for stocks has been pretty flat and fixed income instruments have performed somewhat better than stocks.

6. **How does the funded ratio for Georgia compare with other states?** Georgia is near the median funded ratio for our peer systems.

Thomasville President Hayes invited all state House and Senate members from the Southwest regional area to participate in the GSRA regional meeting. Representative Amy Carter, Representative Darlene Taylor and Senator Ellis Black were given an opportunity to speak. GSRA members were appreciative of the elected members who demonstrated their knowledge of approved budget items and other legislation that was passed, although some of the legislation of interest was vetoed by Governor Deal. Thomasville President Hayes delivered awards to the legislative members in attendance.

The well-attended meeting filled the venue to capacity and was a complete success. Hayes closed the proceedings in the same way that she began – reiterating that we must all work together to accomplish the goals established by the members of GSRA, and that retirees are proud of their service to Georgia citizens.



ERS Executive Director Jim Potvin talks with an attendee after the meeting



Kip's View: Board Lays Groundwork Achieving Goals

Your Board continues work to achieve our goals for next year and beyond. To that end, GSRA is about to expand its Marketing strategy and reach out to many groups across Georgia.

In Thomasville, Georgia on June 1, 2016, I reported on our recent successes and laid a charge on those present at the Thomasville regional meeting. I told them that what we accomplished this past year was due primarily to our membership's hard work, and the fact that we represent many retirees and current employees. However, I told them it would have been much easier if our membership were a lot larger, and more of them assisted in this effort.

Numbers do matter; it's harder to say no to large numbers of contacts from many different constituents. Our membership represents less than 10% of all eligible retirees and an even smaller percentage of active employees.

My charge was the following to each of us present at the meeting: Each of you knows at least 3 or more retirees or active employees with whom you use to work. Get a copy of our Membership Brochure and Application Form from either the website, www.myGSRA.com, or your local Chapter officers. Then, armed with this application and an ERS Pension Deduction Form, contact and convince three people to join GSRA. If every member does this we can boost our membership to almost 20,000 members. This would be great! Our voice would be that much harder to ignore!

When contacting them talk about:

- the DCH Advisory Board Resolution the House passed at our urging to have retirees and active employees provide input on our Health Insurance plans before changes are made;
- the 3% raise that was recommended by the Governor and funded by the Legislature for all active state employees and teachers, with GSRA being one of the first to recommend this to the Governor in September of 2015;
- the one-time 3% adjustment for ERS retirees funded by the Legislature at the request of GSRA members and leadership and approved by the Board of Trustees for the Employees' Retirement System payable on the first \$30,000 of annual pension benefit.

Also, mention that we continue to work for equitable treatment for all state retirees, and the return of ERS retirees to a position of being able to receive consideration for full 3% COLAs. Stress that increased membership numbers will help this effort, and retiree and active new members should invest \$20.00 of their salary increases and one-time adjustment toward this effort! Report your successes and encourage fellow members to follow your lead, and let's grow for our future!

Thank you and make plans to attend our Annual Meeting in Macon on October 17th, and 18th, 2016 to *Celebrate Our Successes* and plan for tomorrow! See you there!

Local Chapter News

Northeast Metro

The Northeast Metro local chapter held a meeting June 8th with 66 people attending. The officers planned another outstanding meeting, with three prominent key speakers, including Senator Renee Unterman, from the 45th District, Jim Potvin, Executive Director of the Employees Retirement System, and Chuck Freedman, GSRA's Chair of the Legislative Committee. The speakers addressed several questions our officers collected and provided to the speakers

in advance of the meeting, plus the speakers all accepted questions from the audience.

Senator Unterman emphasized that if retirees wanted a piece of the "budgetary" pie we all had to stay in touch with our elected officials. Not just email, while that is important, but meet with them eye-to-eye in June and July. Do not wait until the General Assembly is in session. There are too many worthwhile causes in need of funding; if retirees want to be included, we must be active.

Mr. Freedman expressed the same thing, the need for individuals to work with their elected officials during the year. He stated that while the elected officials are polite to our GSRA Officers, they really want to hear from their constituents from their own districts.

Alan Davis, the chapter President, chaired the meeting and awarded the door prize. Refreshments were available and the members, as always, were glad to mingle with each other.



Senator Renee Unterman addresses NE Metro members

West Georgia/Columbus Area

The West Georgia/Columbus Area local chapter held its second quarter 2016 meeting on May 17, 2016, at the

Epworth United Methodist Church, Columbus. The chapter was honored to have in attendance Chuck Freedman, GSRA State Legislative Chairperson, Chuck Clay, GSRA Legislative Liaison, and State Representative Debbie Buckner, a chapter member. Chuck Freedman and Chuck Clay reported on the happenings in the 2016 Legislative Session, as well as GSRA plans for the future. Representative Buckner was recognized for her efforts on HB 1382. A token of the chapter's appreciation was presented to Representative Buckner, and a cake personalized for her was served.



Rep. Debbie Buckner addresses the West Georgia meeting while GSRA Legislative Liaison Chuck Clay and West Georgia/Columbus Area President Gloria Coker look on

GSRA Needs You!

GSRA is looking for volunteers to serve on the GSRA Board. We want new people with ideas to help move us forward!

The board meets monthly on the 2nd Thursday of each month from 10:30 am until about 2:00 pm. The meeting location presently rotates between Covington and Macon, with the option to participate via internet or phone.

If interested contact: Kip Mann by 6/24/16 at president@myGSRA.com. Thanks!

January – May New Members

Name	County		Name	County		Name	County
January			Jerry Gossett	Cobb		Annie Smith	DeKalb
Paul Blake	DeKalb		Stella Reid	Meriwether		Kenneth Whitworth	Jackson
Joy Chapman	DeKalb		Bobbilee Butler	DeKalb		April	
Joan Hendrickson	Walton		Ben Buchan	Hall		Jimmie Brown	White
Gloria Jack	Fulton		Debbie Lynn	Gwinnett		Debra Bryant	Thomas
Gregory Rooks	Fulton		Elaine Myers	Coweta		Cullen Clements	Meriwether
Richard Smith	Newton		James Carroll	Seminole		Alicia Hill	Gwinnett
Walter Smith	Clarke		Barbara Johnson	Columbia		James Hoskins	Spalding
Thomas Wilson	Franklin		Tony Thompson	Randolph		Richard McIntyre	Talbot
Judith True	Hall		Amy Johnson	Fulton		Kathleen Sirois	Carroll
February			March			Jean Wright	Walton
Michael Brinson	Johnson		Judy Barnes	Brooks		May	
Jane Sack	Bulloch		David Duke	Liberty		Bruce Deloach	Long
Ronald Magbee	DeKalb		Beatrice Hendricks	Coweta		Michael Fordham	Bryan
Judy Heath	Richmond		Deedee Holland	Muscogee		Keith Johnson	Cobb
George Brewer	Warren		Jesse Johnson	Coweta		Linda McCoy	Bulloch
Woody Woodard	Lincoln		John Kennedy	Cobb		Nancy Merritt	Cobb
Denise Peterson	DeKalb		Carolyn Little	Oconee		Chris Prine	Lowndes
Larry Johnson	Worth		Sherry Moore	Bacon		Alice Robinson	DeKalb

Don't Forget Your AMBA Benefits!

We encourage you to view the benefits available to you as a member of GSRA by visiting our contracted vendor, Association Member Benefits Advisors (AMBA) at:

www.myAMBAbenefits.info/association/gsra.

You will see many discounted products (electronics, travel, etc.) and benefits, such as long-term care or dental insurance.



Let us Help You

For your questions or concerns about anything related to GSRA:

Call: 770-312-2799

Email: help@mygsra.com

GSRA Members!

Check out ERSGA/GTA's
MORE – My Official Rewards Experience

ERSGA retirees get
discounts/incentives for:

- Travel
- Entertainment
- Shopping
- Recreation

Other areas tailored to your interests

You can access MORE by logging into your
secure ERSGA account and clicking the link.

<https://secure.ers.ga.gov/>

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
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
- Tax-Deferred Annuity
- Cancer Treatment Policy
- Medicare Supplement Insurance
- Identity Theft Protection
- Hotel Discounts
- Computer Discounts

Review your benefits at: www.myAMBAbenefits.info/gsra

Benefits made available through:

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Providing the Best-in-Class Benefits to Association Members
800.258.7041



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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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