

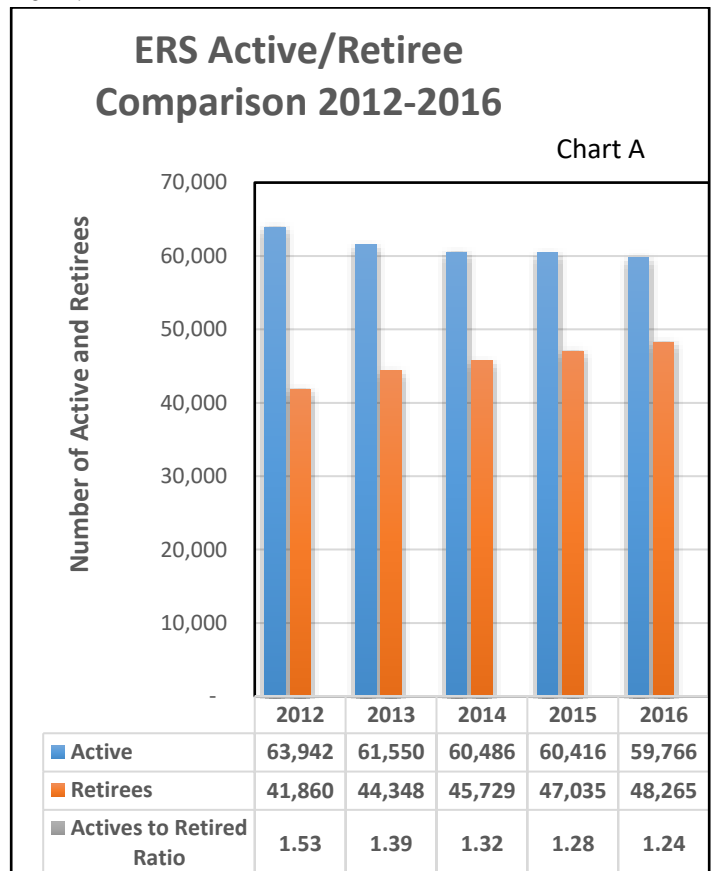
GSRA 2017 Annual Meeting, October 16-17

## ERS & TRS Actuarial Reports Show Facts Impacting UAAL & Pension Funding

GSRA reported on the change in UAAL<sup>1</sup> for the Employees Retirement and the Teachers Retirement Systems in the May newsletter. Although the funded ratio for both pension systems is in the acceptable range (74.7% for ERS and 74.3% for TRS), both Boards of Trustees have taken extra care<sup>2</sup> in developing policies to assure the soundness of the plans. Facts drawn from the actuarial reports show that the change in UAAL is partially a result of the change in the ratio of active to retiree counts, the salary and benefit changes, and the percentage of workforces with less than five years of service. All of these factors impact the UAAL and employer contribution rates for FY 2019 while the turnover (resignations and retirements) leave the employers with less skilled workforces.

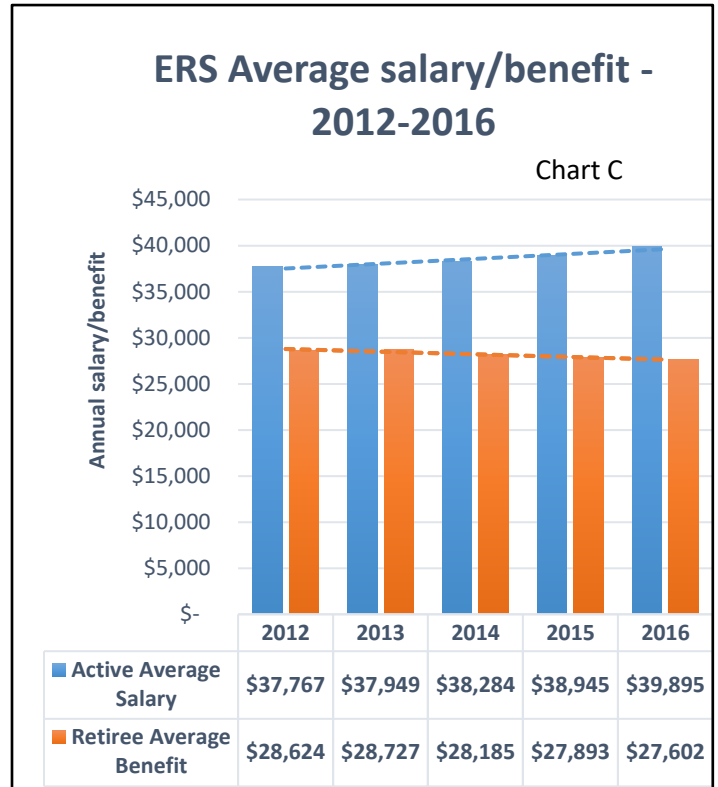
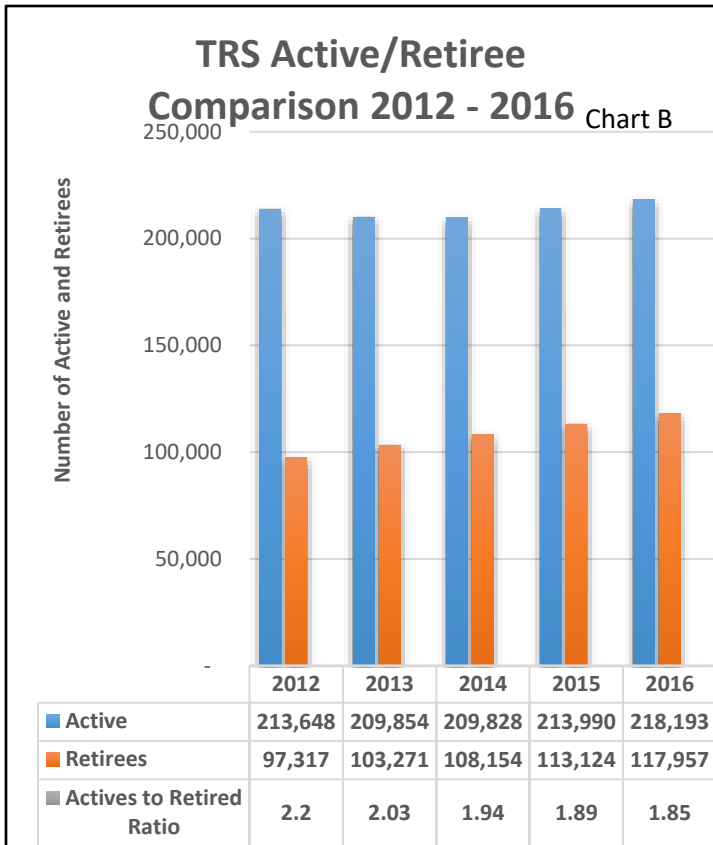
As the workforces age and retire, the 2016 “ratio of active to retired persons” has decreased. Charts A and B compare for the past five years, the number of active persons, number of retired persons, and the Active to Retired Ratio. State departments continue to decrease the workforce although at a much slower pace than in 2009-2013. The Active to Retired Ratio for ERS is at 1.24 – meaning that there are only 1.24 active persons for each retiree. Educational entities suffered a decrease in the workforce during 2009-2013 but have regained active persons totaling 218,193 in 2016. The Active to Retired Ratio for TRS was 1.85 in 2016 and

was a substantial change from 2.2 in the five years from 2012.

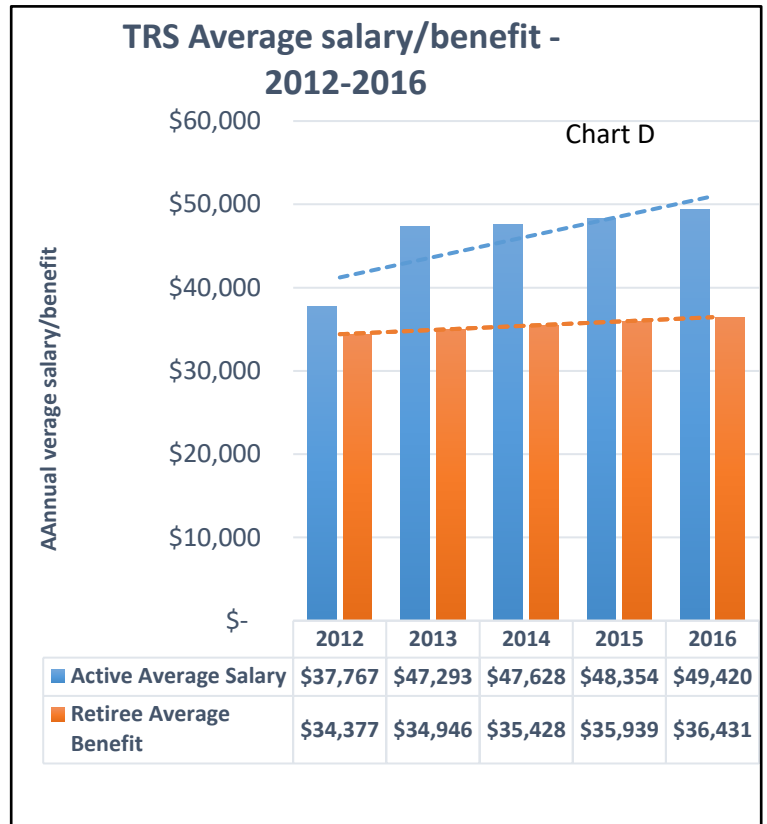


<sup>1</sup> Unfunded Actuarial Accumulated Liabilities

<sup>2</sup> See the Funding Policies in the respective actuarial report.



Charts C and D show the average salary and the average retiree benefit over the last five years for ERS and TRS. The ERS averages show that active state employees have had a slight increase in salary; however, the average retiree benefit has decreased since 2013 reflecting the fact that most current retirees are members of the “new plan” rather than the “old plan” and that the retiree benefit has not been adjusted for purchasing power. The ERS average benefit has decreased from \$28,624 in 2012 to \$27,602 in 2016. Chart D for TRS members reflects an increasing annual compensation average for active educators and an increasing annual benefit for retired educators.



The actuarial reports show the length of service of the workforces in various categories. Turnover and retirements affect the number and percentage of the workforces who have less than five years of service, and therefore, affect the percentage representing a seasoned workforce. This percentage of seasoned workers (five or more years of service) has changed substantially during the last five years, and as of June 30, 2016, the percentage of the workforces **who have less than five-years of service for state departments is 37.9% and is 28.8% for the educational entities.**

All of these factors—number of retirees, ratio of active to retiree, average salary, average benefit and turnover affect the actuarial liabilities<sup>3</sup> The full actuarial reports show all of the factors affecting the UAAL and the Actuarially Determined Employer Contribution (ADEC) rates of 24.66% (down from 24.69% in 2018) for ERS and 20.90% (up from 16.81% in 2018) for TRS FY 2019.

## GSRA Leads Coalition to Support Passage of Medical Consumer Legislation

Since the end of the last Legislative session, GSRA has been maintaining contact with Representative Richard Smith and Senator Renee Unterman in their medical insurance/provider no surprise/balance billing efforts. Representative Smith is chairing a study committee which will hold its first in a series of meetings this week. To help assure that legislators will receive appropriate consumer input, GSRA sent a message to members on June 22 and posted it on our FB page the same day asking members to provide input about their experiences with this issue. We also contacted our SHBP coalition members, GHSPA, TRAGIC, PAGE, GAE, GAE Retirees, and GDOTEA. All agreed to contact their members with the same or similar messages.

As we have informed you previously, surprise/balance billings occur when medical patients have reason to believe that they are receiving services from providers who are in the patients' insurance networks but turn out to be out of network. So rather than receive bills for the regular insurer-negotiated price plus in-network deductible/copay/coinsurance,

patients receive bills for the full retail price for which their insurance covers very little. These bills can be hundreds, thousands, or tens of thousands of dollars more than bills for the same services from in-network providers. A law is needed to prevent such travesties from occurring in the future. This would be done by mandating that no consumer would be responsible for paying any more for a medical service than the consumer's insurance policy would require for an in-network provider subject to the policy's deductible/copay/coinsurance provisions.

As we have also previously reported, Representative Smith and Senator Unterman each sponsored bills to address this problem. Both authors agree with GSRA that the bills need improvement. Both have been hampered by disagreements between providers and insurers, but have had little support from consumers. That is why GSRA and our coalition team have encouraged our members to provide us with descriptions of instances you have been victimized by balance/surprise billings and asked that you send your descriptions to [legislation@mygsra.com](mailto:legislation@mygsra.com). GSRA and

<sup>3</sup> See the full actuarial reports for all factors impacting the funded ratios and employer contribution rates.

our other team organizations have also invited our members to testify before the committee. The committee's first meeting will be on Jul. 29 at 10:00 am

in the Coverdale Legislative Office Building (CLOB), but the committee will also receive testimony on later dates.

## Local Chapter News

### Thomasville

The Thomasville local chapter sponsored its third annual Regional Meeting on June 14, 2017 at the Thomas County Public Library. The lunch meeting featured area legislators, SHBP representative Joy White, and presentations by GSRA leadership and legislative liaisons. Some of the meeting participants are shown below.



**Valdosta**

The Valdosta local chapter met for food and fellowship at Mama June’s Buffet on June 13, 2017. President Ray Josey called the meeting to order and covered several business items before introducing the featured speaker, Senator Ellis Black, who is our senator and the Chair of the Senate Retirement Committee.

In his remarks Black remarked that he has come to enjoy his post as Chair of the Retirement Committee because it is a complex assembly of the various systems and he is in a position to work on behalf of the retirees. He feels that the retirement systems are financially pretty sound and that the administration and the general assembly continue to pump in significant additional funds, over \$300 million this past session. He sees health insurance as much more of a problem because of the continuing inflation in the cost of health care and prescription drugs, which puts pressure on the state to raise the cost of our insurance. Senator Ellis emphasized that we should continue to be active in

advocating for our interests and concerns and make personal contact with our legislators.



Sally Mason, Carol Spires, Senator Ellis Black, John Swiderski, Valdosta Vice President Ginny Boswell, President Ray Josey

**May New Members**

Name	County	Name	County	Name	County
Elizabeth Bowling	Harris	Patricia Gray	Douglas	Carol Morris	Coweta
Gwendolyn Bridges	Fulton	Jerry Griffin	Pierce	Vernon Royal	Ware
William Castile	Meriwether	Teresa Koeppel	(Florida)	Kathleen Worthington	Evans
Deirdre Dockery	White	Cheryl Leidy	Troup		
Dianne Grant	Monroe	Alma Faye Mock	Troup		

**How Can We Help?**

If you have questions or need help with anything to do with GSRA, please contact [help@mygsra.com](mailto:help@mygsra.com) or call 770-312-2799. Let us help you!

## Enroll in Pension Deduction

If you receive a retirement benefit from the Employees Retirement System, keep your GSRA membership current the convenient way. Consider having your GSRA dues deducted from your monthly benefit.

It's easy! Go to [www.mygsra.com](http://www.mygsra.com) (Select Join US, Benefits, and Pension Deduction form.) Complete the Authorization, complete your "pension ID number" and mail as instructed on the form.

You never have to worry about renewing your membership again and GSRA benefits by keeping our membership current!



The screenshot shows the GSRA website interface. On the left is a navigation menu with 'GSRA' at the top and options for 'BENEFITS', 'TRAVEL', 'ELECTRONICS', and 'LIFE STYLE'. The main content area features two promotional sections:

- Orlando Employee Discounts:** Promotes up to 35% off on Orlando vacations. Includes contact info: 877.413.3557 (Discount code: AMBA) and website [www.OrlandoEmployeeDiscounts.com](http://www.OrlandoEmployeeDiscounts.com) (Enter user name: AMBA).
- AMBA TravelPerx:** Promotes vacation values for association members. Includes contact info: 1.800.480.4080 or [www.ambatravelperx.com](http://www.ambatravelperx.com). A list of benefits includes:
  - Cruises are priced extremely low!
  - Numerous ports to choose from!
  - Plan your getaway today!

At the bottom of the screenshot, a text line reads: "See your GSRA/AMBA benefits by visiting [www.myambabenefits.info/association/gsra/benefits/1](http://www.myambabenefits.info/association/gsra/benefits/1)"



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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
- 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](http://www.myAMBAbenefits.info/gsra)

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UnitedHealthcare continues to be a proud sponsor of the GSRA Annual Meeting for 2016.

\*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.  
 UnitedHealthcare Insurance Company complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 877-248-8190 (TTY: 711). 注意：如果您使用繁體中文，您可以免費獲得協助服務。請致電：877-248-4190 (TTY: 711) H2001\_160930\_141057 S9NU31264

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