



The Annuitant

Newsletter of the Urbana-Champaign Chapter

State Universities Annuitants Association
Fall 2012

Survivor's Benefit Workshop 10 a.m., Thursday, November 8, 2012

The UIUC Chapter will host a free workshop to update and review the benefits and forms required by SURS to apply for and receive survivor's benefits when a SURS annuitant passes away.

This program should be of benefit to SURS annuitants and their spouses, families or other eligible survivors. There is no fee for this program.

The workshop session will be conducted by a SURS representative and will be approximately one hour in length, depending on the number of questions. This will be an interactive meeting that will allow you to ask questions and receive answers directly from SURS staff.

WHEN: Thursday, November 8, 2012

TIME: 10:00-11:00 a.m.

WHERE: Meeting Room at the State Universities Retirement System
1901 Fox Dr., Champaign
Parking is Free

DUE TO LIMITED SPACE, RESERVATIONS ARE REQUIRED.

To reserve space call:
Walt Tousey, 351-6384.
Dennis Vidoni, 367-7053

A waiting list will be developed if the number of registrants exceeds space, and additional workshops may be planned. Be prepared to leave phone number or other contact information in case there is a change in meeting date, venue or if additional workshops are scheduled.

Fall Meeting to Feature IGPA Director Bob Rich Sunday, October 21, 2012 1:30 PM

I-Hotel, 1900 S First St, Champaign

UIUC-SUAA's Fall Chapter meeting will be held Sunday, October 21 beginning at 1:30 PM at the I-Hotel in Champaign. The meeting will begin at 1:30 with light refreshments and social time for conversation with friends and colleagues. The formal meeting will begin at 2:00 PM.

Professor Robert F. Rich, Director of the UI's Institute of Government and Public Affairs (IGPA) will be the main speaker at the meeting, with a short business session to follow. Rich is the long-time director of IGPA and is renowned for his expertise in health law and policy, energy and science policy, federalism, and leadership and public service. Dr. Rich is a frequent speaker on politics and policy at the state and national levels. With UI Finance Professor Jeffrey Brown, Professor Rich is the author of **Fiscal Sustainability and Retirement Security: A Reform Proposal for the Illinois State Universities Retirement System (SURS)**. Their work addresses not only the fiscal concerns about funding deficits that dominate most reporting on Illinois' public retirement systems but the equally disturbing potential impacts changes in retirement and other benefit programs will have on the quality of Illinois higher education and the State of Illinois as a whole.

Dr. Rich will provide updates on national and state election issues as well as the current state of affairs for benefits for current and retired faculty and staff in Illinois public higher education. He has also agreed to include time for a questions and answers session following his presentation.

The business meeting will include updates on the most recent retirement and health insurance changes implemented or under consideration, the proposed Constitutional Amendment that would alter approval requirements for benefit changes for public employees and possibly retirees, and the major issues under consideration at the statewide level for SUAA.

Fall 2012 will be a critical time for issues affecting all who serve or have served in public employment in Illinois. Please join us for up-to-the-minute information.

SUAA-UIUC CHAPTER Elected Leadership* & Committee Membership

OFFICERS

President

Thomas F. Conry*

Vice President

Terri Palumbo* Membership

Secretary

Terry W. Ruprecht* Membership

Treasurer

Gerald Brighton

Additional Executive

Committee Members

Gary Engelgau* Communications

Barbara Hartman*

Jane Loeb* Communications

Heidi Rockwood* Communications

Stephen Rugg* Legislative

Rick Schoell* Legislative

Ginny Waaler* Social Arrangements

Ron Webbink*

H.F. (Bill) Williamson* Benefits

SUAA Foundation

H.F. (Bill) Williamson*

Others Committee Members:

Benefits

Mary Beastall

Stephen D'Arcy

Walter Tousey

Communications

Carl Larson

Legislative

Paul Dollins

Helen Satterthwaite

Membership

Mark Netter

Robert K. Todd

Liaisons

To Campus:

Athalia Hunt

To Clark Lindsey:

Helen Satterthwaite

Chapter President's Message

Thomas F. Conry

Under its charter the SUAA has two purposes: (1) to protect, promote, and enhance the individual and collective interests and welfare of its members; and (2) when appropriate, to direct its interest and support toward other matters concerning the general welfare of its member chapters and public institutions of higher education in Illinois.

From January through May we watched the General Assembly wrestle with the State Budget and with pension and healthcare issues that would impact retirees as well as current employees. The only bill that passed was one that will have retirees paying part of their healthcare costs, the amount to be determined sometime later this year by the Director of CMS subject to concurrence by the Commission on Government Forecasting and Accountability (COGFA). The SUAA State office has been working with CMS to assure that retirees are treated equitably. The Director and Associate Director of CMS held an open Q&A session at the SUAA State Meeting in June, which was very helpful to those attending and to CMS.

There are a number of bills that have been introduced in the General Assembly that are not in the best interests of retirees or current employees, and which will be considered in the veto session after the November election. This is a time for vigilance by the SUAA, our local SUAA Chapter, and all of our members individually in communicating with our elected representatives regarding proposals affecting pensions and healthcare. You should keep apprised on a regular basis of the bills currently in play by checking the SUAA website <www.suaa.org> and our chapter website <www.suaa-ui.org>. If SUAA sends an alert on a bill that will impact members, please respond by calling your legislator to inform her/him of your position on that bill. Our Chapter goals for this year continue to be Membership Development, Legislative Advocacy, and Communication.

The UIUC Chapter has 2088 members in the July 2012 Membership List, out of approximately 10,000 UIUC retirees. An increase in the number of members in SUAA translates directly into an increase in the level of advocacy that SUAA can project in the Executive and Legislative branches of Illinois government on behalf of its members. Payroll deduction has now been made available for current employees at the three campuses of the University of Illinois.

The availability of HMO coverage in the East-Central Illinois area continues to be uncertain as the local HMOs are on 90-day emergency contracts. New contracts should be awarded in the near future. Locally, members of our Legislative committee have been meeting regularly with area legislators in the districts in and around Champaign-Urbana on the issues of healthcare and pensions. At the State level, SUAA has been very active in working with legislators and their staffs to protect pension and healthcare benefits. It is important that all of us, as citizens who vote, contact our Senators and Representatives to communicate to them our common concerns about pensions and healthcare.

Agile communication with our members remains a problem. We have e-mail addresses for less than half of our 2090 members. While the twice-yearly *Annuitant* covers many subjects, there are times when a one-page message needs to be sent to alert our members about important issues, and this needs to be done by email. If you have an email address, **please** share it with us. We will not abuse it.

Finally, I want to bring to your attention the proposed constitutional amendment, CA49, which will be on the ballot this November. I urge you to read it carefully. Some legal scholars have warned that it has the potential effect of diluting or nullifying the non-impairment clause in the Illinois Constitution regarding pensions. The bill is structured in such a way to look reasonable to the average person ... it's hard to object to something that appears to protect future budgets and prevent abuses. But if our analysts are correct—and the real intent of the bill is to negate the non-impairment clause that protects our retirements—then the next year will bring negative impact on our pensions and retirement benefits. The wording of the bill will make our opposition to it very difficult. Supporters of CA49 will try to paint us as selfish and/or irresponsible. Yet we will truly have no choice.

Legislative Update

Please note: printing and distribution deadlines for this newsletter meant that several potentially key events occurred after this article was completed. Readers are encouraged to check the local and state SUAA websites, or those from CMS or the University of Illinois' Nessie site for updated information.

On June 21, Governor Quinn signed Senate Bill 1313 into law (Public Act 97-0695). The new law supersedes all previous legislation establishing the rates public employees – including those in higher education – pay for state-provided health insurance for themselves and their dependents. Instead, it authorizes the Director of Central Management Services to establish new rates annually. The bill takes effect July 1, 2012, although as noted below the actual implementation of a new rate schedule will likely occur much later in the year.

Two days earlier CMS Director Malcolm Weems and the Agency's Senior Public Administrator, Ms Janice Bonneville, appeared before SUAA's annual meeting in Springfield and provided the most current information then known about implementation of the bill. Based on that presentation, and emphasizing that almost no decisions are final, here is what we know at this point:

- A new payment scale will be developed for retirees using a combination of age, years of service and the amount of the retiree's total annuity from any of the five state retirement systems (SERS; SURS; TRS; GARS; JRS). The previous formula of receiving 5% credit for each year of service until 20 years have been reached will no longer be used. It is very likely that a point system granting one point for each year of age and each year of service at time of retirement will be created, with a maximum of 90 points or more being the most favorable.
- No final decision has been made about the number of tiers in the new scale or the dollar ranges for them. Current planning calls for ranges that begin with annuities less than \$11,000 and rise to \$143,000 and above. Health insurance costs will rise as a retiree's annuity increases (reflecting increased ability to pay), and will depend on the number of "points" generated by age and years of service.
- Rates charged to retirees who are eligible for Medicare will reflect the fact that the state is providing supplemental, rather than primary, health insurance. While stressing that no decisions are final, CMS officials indicated that all retirees will be assumed to be covered by Medicare, despite any earlier "irrevocable" declarations to the contrary or ineligibility for Medicare. Precise information about the implementation of this factor is not yet available. SUAA should receive considerable credit for successfully bringing these two issues to the attention of legislators and CMS staff and for recognition of them in the assessment process.
- The state-provided health insurance program is incorporated into collective bargaining agreements for many state employees, including those represented by AFSCME, and must therefore be addressed in the negotiating process now under way with that organization. Whatever plan is adopted via that process is expected to become the default program for all state employees, including those whose benefits are not established through a formal labor negotiation process.
- Once the union bargaining process has been completed and a rate structure negotiated, CMS must submit all of its implementation for the new health insurance plans to the State's Joint Committee on Administrative Rules (JCAR), which must approve them before implementation can occur. These processes are likely to take several months, and while nothing can be said with absolute finality, it is likely that employee/retiree charges will not be retroactive to July 1.
- One objective of the new legislation is to generate approximately \$200 million in new revenue. The new rate structure will be designed to accomplish this end, along with introduction of an "ability to pay" component not present in the current structure. Based on the new law, rate structures are subject to change annually unless implementation rules are written differently.

Other Health Insurance News

- No new information is available for the proposal to require retirees to choose among continuing a Cost of Living Increase (COLA) and subsidized health care, as provided in Senate Bill 1673. (Note: SURS uses the term Automatic Annual Increase instead of COLA.)

Continued to page 4

-
- Health care providers eligible for state insurance participation during Fiscal Year 2012 (which ends June 30) have been granted emergency rules to continue to provide services for an additional 90 days (July 1 – September 30, 2012). Evaluations are under way for new proposals to provide health care coverage for state employees for Fiscal Year 2013 and beyond. Once providers have been established, a new open-enrollment period will be held.
 - Final authority for determining health care providers able to offer services under the state's program will be returned to CMS by July 1, 2012, shifting it back from the Department of Healthcare and Family Services.

Other Benefit Information

- Essentially no new update is available on pension legislation. Many observers now believe that no legislative action on pensions will occur until the fall legislative (veto) session, although it is still possible for the Governor to call a special legislative session on that topic.
- Concerns are escalating over the potential impacts of the Constitutional Amendment (HJRCA 49) addressing pension provisions for state employees that will be on the statewide ballot for the November 6 election. Some see the language of the final section of that ballot proposal as opening the door for future changes in retirement provisions including reductions of current provisions for both current and retired employees. They argue that the new language in effect negates the non-impairment clause of the 1970 Constitution.
- SUAA has decided to mount a campaign against adoption of the new pension Amendment. More information on this effort will follow.

Further Updates

Please continue to watch our web site (www.suaa-ui.org) for updates as they become available. Information can also be found at sites for SUAA statewide (www.suaa.org); for SURS (www.surs.org) and Central Management Services (www.benefitschoice.il.gov).

Updated information affecting UI employees is also available from the UI Office of Human Resources at <http://nessie.uihr.uillinois.edu/cf/index.cfm>.

2012 Campus Charitable Fund Drive

All UIUC retirees are encouraged to participate in the 2012 Campus Charitable Fund Drive. The Drive begins September 17th and runs through November 9th. You may now contribute online to one of the many organizations supported by the CCFD by completing an online pledge form at ccfd.illinois.edu/give. You can also do so by filling out a paper pledge form (also available on the CCFD website) and sending it to your former university department along with a personal check made payable to the umbrella agency or agencies to which you are contributing. If you have returned to University employment you have the option of payroll deduction.

Organizations to which you can make donations through the CCFD include Community Shares of Illinois, Black United Fund of Illinois, America's Charities, Special Olympics, American Cancer Society, Community Health Charities, Earth Share Illinois, Global Impact, Independent Charities of America, United Negro College Fund, and the United Way of Champaign County. Information about these agencies and the efforts they support, as well as further details about the CCFD, may be found at ccfd.illinois.edu, or you may call the CCFD office (217/265-6398) for a brochure.



BIG 10 RETIREES ASSOCIATIONS MEETING

The Ohio State University August 3-5, 2012

Thomas F. Conry

The Big-Ten Retirees Associations was formed in 1992 with the purpose of holding annual meetings at which the member associations could exchange information about what benefits they receive from their universities and/or states; how these organizations serve their members; and the services that these organizations and their members provide their universities. The twenty-first annual meeting at The Ohio State University on August 3-5, 2012 was attended by Chapter President Tom Conry. Eleven of the twelve Big-Ten Universities were represented with only Northwestern absent. A representative of the Association of Retirement Organizations in Higher Education (AROHE) also attended.

The meeting was thoughtfully planned by our hosts from The Ohio State University Retirees Association (OSURA) with a theme of "Growth and Development of University Retirees Associations." We heard a panel presentation on "Enhancing Membership." Dues at the associations were nominal, but monthly luncheons were optional, as were organized day trips to various places of interest. A common issue among all associations was the lack of email addresses for a majority of their members. Announcements sent by email are inexpensive and timely; the use of the postal service is expensive and slow.

The next panel discussion was titled: "Programming—What Works?" The University of Michigan has had a lot of success with "Health Days," which feature speakers from within the University, and occasionally an outside speaker. The University of Wisconsin recently put on a program entitled "How to decide on an assisted living facility," which was very well attended. Other associations have affiliated with OLLI (Osher Life-Long Learning Institute) programs on their campuses for classes and travel. Others have a formal affiliate relationship with their alumni associations. The issue of demographics of the retirement community was mentioned by many; the age spectrum is getting larger with earlier retirements at the younger end and extended life expectancy at the older end. One size of programming will not fit all!

The third discussion group was titled: "Financial and University Support." The levels of university support vary widely. Some institutions provide a cash budget, staff support, and office space. Other institutions provide mailing services and other miscellaneous support. Healthcare was an issue and import part of support for the Purdue University Retirees Association (PURA). They negotiate with vendors each year to provide healthcare coverage for their retirees in PURA. The University pays for a consultant to advise them in their negotiation and provides a staff member to assist retirees with questions about the health plan.

Several associations collect information on the amount retirees give each year to the United Way and to the University Campaigns such as "Brilliant Futures" at the University of Illinois.

On Sunday morning, there were two sessions. At the first, the business meeting, the importance of keeping the Big-Ten Retirees Associations website <www.hr.umich.edu/umra/big10> current was first on the agenda. The constitution and bylaws were reaffirmed, and the new conference annual rotation schedule with Nebraska added was approved. At the second, we had a chance to hear from representatives of each Association about their successes and challenges during the past year in effectively communicating with their members. The recurring themes were the desire that more members used email, the experimentation with social media (e.g. Facebook, Twitter, et al.), and having a sustainable and dynamic website. The planning is already underway for the twenty-second annual meeting at the University of Michigan in August 2013.

**State Extends Temporary Health Carrier Contracts
09/06/2012**

The Illinois Department of Central Management Services (CMS) has announced the current emergency contracts with Health Alliance HMO, Health Alliance Illinois and Coventry HMO have been extended through June 30, 2013, or until the supplemental managed care procurement process is completed.

Any additional information that SURS receives will be immediately posted on our website or members can go to the CMS website at www.benefitschoice.il.gov.



SUBSCRIBING TO INSIDE ILLINOIS

Inside Illinois is published semi-monthly and distributed to campus mail boxes and subscribers off campus by the mail. It is a great way to keep up with the highlights of campus. Subscription is free to SUAA-UIUC members who request it. If you do not receive a home subscription and wish one, please use the form below.

Inside Illinois now offers online subscriptions. These subscribers will receive an email with links to the issue index and several featured stories. In addition, when there is news between issues, subscribers will receive an email. To subscribe, go to <http://illinois.edu/gm/subscribe/7330>.

To unsubscribe to a home subscription received through SUAA-UIUC membership, please send your request, name and address to our email: suaa.ui@gmail.com.

Initial Subscription Form for UIUC "Inside Illinois" Newspaper

Complete this form for an initial subscription to *Inside Illinois*. A new subscription begins as soon as possible after the form is received and continues as long as SUAA membership dues are kept current. **Return this form to: SUAA-UIUC Chapter, 364 Henry Admin. Bldg., 506 Wright St., Urbana, IL 61801-3689**

NAME _____
(Last) (First) (M.I.)

ADDRESS _____
(Number) (Street Name) (Apt. #)

_____ (City) (State) (Full 9 digit Zip Code)

_____ (Email address)

IN MEMORIAM

As a service to readers, *The Annuitant* publishes a listing of deceased employees and annuitants taken from *Inside Illinois* issues as well as other print sources. The following listing gives the name, the date of death, and the age at death (when known) for those individuals whose death notices appear between February 2 and July 19, 2012.

Due to increased privacy restrictions and the lack of public information in many obituary notices, this list can be difficult to develop. Thus the list may gradually become less comprehensive.

Adams, Marilyn J., 66, 6/8/12
Adelman, Gary, 76, 1/1/12
Andracki, Edmund G., 81, 12/17/11
Aquino, James M., 54, 2/9/12
Bartle, Doris, 85, 5/9/12
Bartlett, Kenneth W., 90, 7/9/12
Becker, H. Neil, 73, 12/27/11
Behrens, John Henry, 91, 2/23/12
Bensyl, Judy A., 64, 6/27/12
Bierman, Patricia L., 80, 4/19/12
Blair, Albert E., 88, 4/2/12
Bonnell, James F., 86, 4/11/12
Bopp, Richard E., 66, 12/8/11
Bounds, Robert E., 78, 5/24/12
Bozarth, Carl W., 73, 5/5/12
Bridges, Sr., Thomas "Mike", 63, 1/24/12
Brighton, Helen M., 84, 6/2/12
Brown, Frederick C., 87, 11/18/11
Brown, Robert G., 85, 2/9/12
Carter, Lena Frances, 94, 6/8/12
Changnon, Jr, Stanley A., 84, 5/1/12
Choe, Lena Domyung, 46, 6/15/12
Coon, Michael Jay, 103, 3/8/12
Crowley, Francis C., 90, 6/17/12
Davis, Patricia Marceline, 81, 4/19/12
Dorsett, Harold L., 99, 12/21/11
Dunlap, Mary Evelyn, 87, 4/24/12
Dunn, William E., 61, 12/31/11
Eldridge, Doris M., 88, 6/8/12
Fisher, Mary Elizabeth Winders, 87 4/30/12
Fleming, Geneva F., 86, 4/19/12
Flynn, C. Peter, 76, 10/27/11
Forrester, Robert A., 75, 11/23/11
Gallivan, Rebecca J. Manuel, 69, 5/12/12
Gates, Gloria Ann Kelly, 87, 2/19/12
Gentner, Gert H., 60, 12/17/11
Genzel, Carolyn S., 67, 7/1/12
Glass, Edna L., 93, 5/24/12
Goad, Ronald L., 77, 4/21/12
Hake, Harold W., 92, 10/22/11
Harrington, Timothy L., 74, 3/27/12
Hertenstein, Kristin, 60, 6/13/12
Hicks, Robert, 83, 6/13/12
Holmes, Roland Washburn, 91, 5/27/12
Hornbacker, Eleanor Jane, 69, 1/29/12
Hubbard, Jancy Marilyn, 39, 3/17/12
Humphrey, Kathryn Marie Britt, 89, 1/31/12
Jackson, Fae Elizabeth (Kiifner), 89, 6/13/12
Jones, Carl J., 63, 2/10/12
King, Marjory F., 82, 4/11/12
Kock, Jean Elaine (Soulier), 67, 3/5/12
Kolb, Dorothy Dietrich, 96, 5/19/12
Korst, Helmut Hans, 96, 6/1/12
Kovell, Frederic, 70, 5/14/12
Kuo, Benjamin C., 81, 6/12/12
Lariviere, Louis G., 91, 1/17/12
Lauchner, Julian "Bus" Hawthorne, 87, 3/4/12
Liu, Chao-li Jack, 71, 3/29/12
Mattlin, Richard, 74, 3/7/12
Mayhood, Eunice Meurlott, 96, 2/25/12
McGinnis, Merle Lynn, 69, 6/15/12
McKinney, Dorothy M., 80, 3/31/12
Mechling, Jr., Milo F., 91, 2/8/12
Mechling, Stanley M., 58, 1/19/12
Meeks-Britt, Ernestine (Lark), 74, 2/23/12
Miller, Charles G., 72, 4/15/12
Milton, John Whitney, 72, 3/11/12
Mowry, Linda Kay, 53, 3/3/12
Murtha, Joseph P., 80, 10/18/11
Nikelly, Arthur G., 84, 10/19/11
Ohls, Agnes Isabelle, 94, 3/4/12
Ormsbee, Allen Ives, 85, 7/13/12
Orr, Daniel, 79, 6/6/12
Osterbur, Herbert Henry, 82, 6/23/12
Paley, Hiram, 78, 1/9/12
Patterson, Howard E., 86, 1/24/12
Pedersen, Curtis Oneal, 77, 7/10/12
Peters, Wreatha H., 95, 1/17/12
Pittman, Kenneth D., 61, 5/17/12
Porter, Curtis Lee II, 67, 6/22/12
Quick, Dean L., 84, 2/17/12
Raup, Emma, 94, 3/24/12
Richardson, Dorothy "Dot" Weeks, 90, 6/9/12
Rodda, Errol D., 83, 10/3/11
Rowland, Theodore J., 85, 5/20/12
Russell, Anna Jean, 71, 3/13/12
Schmidt, Glenn Widmer, 99, 1/29/12
Severins, Carol, 63, 2/9/12
Shirley, Fabara G. Anderson, 97, 6/25/12
Siebrecht, Robert M., 59, 12/26/11
Simon, James E., 73, 11/30/11
Smith, Dorothy M., 95, 4/11/12
Snow, Edward G., 85, 2/22/12
Stiene, Joseph H., 73, 12/19/11
Tresslar, Frances Kay, 66, 4/20/12
Unzicker, John D. "Jack", 73, 2/12/12
Vance, Ellis Eugene, 88, 2/16/12
Ward, Marjorie L., 90, 3/8/12
Willard, Byron "Bud", 92, 3/13/12
Wright, Beulah C., 92, 2/24/12
Ziff, Howard M., 81, 4/10/12

Impact of Constitutional Amendment 49 on Pensions and Benefits

(Adopted from an article by Bruce C. Appleby, member of SUAA CA49 Committee and Executive Committee, with input from members of both committees.)

Upcoming legislation pending in Springfield can have dire consequences on our current pension system (SURS) and on community college employee/retiree benefits. Two different pieces of legislation, that have either passed or are on the docket, pose changes to our current pension and benefits that could impact current employees and retirees in not only their pensions, but also the annual cost of living increases and the health insurance benefits that have been promised to this group for fulfilling their contractual obligation with the state of Illinois and community colleges.

These issues are complicated and those of us affected cannot sit back and be complacent and expect it to all work out in our best interest. **We are under attack**, like never before, by a majority of powerful legislators who control the way things roll in Springfield and by an uninformed and unsympathetic private sector. This should get your attention and your support in helping to defray further erosion of what we have paid for and earned.

The following chart illustrates the impact the proposed Constitution Amendment (CA 49) can have on our current system. Following the chart is a discussion of the other piece of legislation that could also have a direct impact on our system and benefits.

<p style="text-align: center;">CURRENT LAW</p> <p>Article XIII, Section 5 of the Illinois State Constitution (the constitutional article where our pensions and benefits are guaranteed), states:</p>	<p style="text-align: center;">Constitutional Amendment (CA) 49</p> <p>Constitutional Amendment (CA) 49 is an addition to Article XIII, Section 5 and becomes Article XIII, Section 5.1. It thus appears to limit Article XIII, Section 5 and to take precedence.</p>	<p style="text-align: center;">Implications on our current pensions and benefits</p>
<p style="text-align: center;">Membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.</p>	<p style="text-align: center;">Clause 1 of CA 49 states: No bill, except a bill for appropriation, that provides a benefit increase under any pension or retirement system of the State, any unit or local government or school district or any agency thereof, shall become law without the concurrence of three-fifths of the members of the General Assembly.</p>	<p>If CA 49 passes, we could, down the road, possibly lose the constitutional protection we have of our current pensions and benefits.</p>
	<p style="text-align: center;">Clause 2 of CA 49 states: Nothing in this Section shall prevent the passage or adoption of any law, ordinance, resolution, rule, policy, or practice that further restricts the ability to provide a “benefit increase,” emolument increase,” or “beneficial determination” as those terms are used under this Section.</p>	<p>CA 49 creates a loophole for the General Assembly, leaving the possibility that the General Assembly could take away a benefit from state employees and retirees (under Clause 2) and could possibly take any action at any time and in any way that would restrict our pension and benefits, including our COLA.</p>

Wading through the language that seems to purposely mislead and misdirect, it appears that Clause 1 says that a 60% majority of both houses is needed to increase any pension benefit of any unit of government in the state. Clause 2 appears to say that the General Assembly may take any action that restricts benefit increases, which would include the COLA (cost of living adjustment) or any other aspect of our pensions and benefits—at any time and in any way.

How will all this play with the potential passage of Senate Bill 1313, (the bill passed by both houses of the General Assembly which says university retirees now have to pay for their health benefits)? Then, there’s the potential passage of Senate Bill 1673, which would force community college and university employees and retirees and others in the state pension systems to choose between retaining their existing 3% compounded COLA or access to employer health care plans.

The more than 196,000 retirees in the five state retirement systems will be affected by CA 49. More importantly, all current employees working in these systems, especially the Tier 2 members and new hires, will be much more directly affected by CA 49 than will those of us already retired.

MEMBERSHIP COMMITTEE REPORT

As of July 1, 2012, our chapter members totaled 2083. We wish to point out that while the organization's membership is substantial, it still represents only a small portion of all UIUC retirees who receive benefits from SURS and are eligible to join. At this critical time, we ask you to encourage others to join and support our association as we fight for your benefits; membership in SUAA is economical when considering what the organization is attempting to protect in these very trying times for retirees. We are working diligently and need your participation and assistance in continuing the fight against changes affecting our pensions and benefits!

Why should you join SUAA?

SUAA, founded in 1971 as a voluntary membership association, continues its vigilance to preserve and protect the pension system, the healthcare plans and all other benefits provided for the well-being of the 208,000 State Universities Retirement System (SURS) participants and beneficiaries.

SUAA provides continuous tracking of pension and healthcare benefit matters, state funding, along with other related concerns.

SUAA works with its membership to assure legislators, executive officers and other policy makers are knowledgeable about member issues.

SUAA is the **only** advocacy organization that focuses **solely** on preserving pension and healthcare benefits for the public universities' and community colleges' employees - both active and retirees - their spouses and survivors and SURS members who live out of state.

SUAA membership affords the opportunity to interact and build relationships with other members of SURS through the local chapters on each public university and community college campus.

SUAA membership provides a communication network through newsletters, legislative bulletins, websites, workshops and meetings that informs and updates you on both local and state issues relative to and focused on pension and healthcare benefits.

SUAA membership assists in building a knowledge base in order to better understand how each element of legislation can affect pension and healthcare benefits for both today and for tomorrow.

SUAA membership allows direct involvement in the legislative process through coordination of a clear **VOICE** and visibility as a solid advocacy organization that protects the pension and healthcare benefits of the participants and beneficiaries enrolled in the SURS.

SUAA membership offers assistance to spouses and survivors of annuitants by providing them with important information to aid them in receiving all rights and benefits to which they are entitled.

In the fall of 2011, SUAA added payroll deduction for current University employees. We highly encourage **all** members to opt to have their dues deducted at their next renewal--this method benefits SUAA by keeping costs down. Not only is it an economical benefit for SUAA, it is also a convenience to members by making renewal automatic.

The Fall Meeting is scheduled for October 21, 2012. We hope you are able to attend as your participation provides an opportunity to exchange information vital to UIUC retirees.



SURS Retiree “Return to Work” Legislation Becomes Law

Although large-scale pension reform legislation did not make it through the General Assembly’s spring, 2012 session, smaller efforts to shore up one substantially under-funded pension system has been passed and signed into law by the Governor. Public Act 97-0968 creates new requirements on public agencies (including public universities) that employ SURS annuitants. Known as the “SURS Return to Work” law, this legislation requires agencies that employ SURS annuitants to make a contribution to SURS if it employs an “affected annuitant on or after August 1, 2013.

The law requires employers to determine whether a new employee is a SURS annuitant and requires prospective employees to provide relevant work histories sufficient to determine their status as annuitants. A SURS annuitant becomes an “affected annuitant” under this legislation on the first day of the academic year following the academic year in which both of the following conditions are first met:

- The annuitant works more than 18 paid weeks that occur after August 1, 2013. The 18-week threshold is cumulative beginning August 1, 2013 (that is, the 18-week period is not re-set each academic year); and
- The annuitant receives compensation for employment in any academic year that is greater than 40% of their highest rate of annual earnings received prior to retirement.

The legislation requires SURS to make certain information available to each annuitant and requires employers to obtain information from prospective employees at the time of employment. Employment that is covered by certain sources of funds other than State appropriations (federal, foundation, corporate, trust or others) does not count toward the compensation factor just noted.

Once a SURS annuitant has met both conditions, the employing institution is required to make a contribution to SURS equal to the annuitant’s annualized retirement annuity that is payable on the day the employee becomes an affected annuitant.

Both SURS and the University of Illinois are in the midst of reviewing these new requirements in depth and drafting implementation programs. UI retirees who are or may be employed by the University after retirement are encouraged to watch for information updates from the University and SURS.

Communications Committee Report

This Fall edition, and the Spring edition, of *The Annuitant* have become our secondary method of communication with our membership. Our first, because we can update the news so much faster, is our website, www.suaa-ui.org. We will continue to use this newsletter to announce out biannual Chapter meetings, the nominees for our Executive Committee (In the Spring issue), and basic information on other activities. Our publication schedule attempts to get the newsletters to the membership at least fifteen days before the upcoming Chapter meeting. This is particularly important for the Spring issue because our By-Laws call for the announcement of nominees for the SUAA-UIUC Executive Committee fifteen days before the election, and we interpret that to mean the information should be in the hands of the membership. This means having the newsletter at the Post Office about three weeks before the meeting. Add the time for the UI Mailing center to address and post, the actual layout and printing by our publisher, and the time it takes a bunch of volunteers to create the copy, our content, particularly on Legislative pension activities, is not really current. That is why we strongly encourage you to regularly visit our web site, noted above, and that of the state- wide organization’s Springfield office, www.suaa.org.

You will also find encouragement throughout this newsletter to share your email address with us. SUAA sends, by email, regular Briefs of legislative action regarding pensions when the legislator is in session. We intend to send occasional emails to those members who email addresses on file, particularly when we become aware of deadlines or important other information that should be reviewed on our website. Our email about the September 15 deadline for retiree’s to sign up for inclusion in the Student/Staff Directory is a recent example.

If you did not receive our email about the September 15 Student/Staff Directory, sent on July 23, we do not have an email address for you. An email address is part of the membership file kept by SUAA for each Chapter, and they send an email to our members with an email address on file at our Chapter’s request. Unfortunately, **only slightly over forty percent of our members have given us their email address**. You will find encouragement to share yours throughout this newsletter.

There was a question about using the “@illinois.edu” email. We have checked with the Campus and it is OK to use it for SUAA email. To share your email with us, just send an email, with your name and email address, to suaa.ui@gmail.org.

HELP WANTED!

The UIUC Chapter is seeking a volunteer or volunteers to assist with various projects including record maintenance and the preparation of the newsletter. Contact the Chapter at suaa.ui@gmail.com or through the form below if you are willing to help in our efforts.

KEEP INFORMED

Both the Chapter and State websites have continual updates about meetings and alerts, as well as other information.

Chapter Website

www.suaa-ui.org

Chapter Email

suaa.ui@gmail.com

State Website

www.suaa.org

State Email

suaa@suaa.org

The State sends occasional briefings to those members who have email in the member listing in the State office, and the briefings that have been sent appear on the State website. Make sure your email is on the list by sending your name, chapter (UIUC) and email address to kay@suaa.org.

Let Us Hear From You

Please send us your suggestions, ideas about issues we should be addressing, and stories about you as well.

Three specific requests for information:

1. What benefit/service would you most like to the campus (not SURS) to provide to retirees?

2. Your interest in serving on _____ committee (s).

3. If your name or address has changed, please let us know.

Name, Address & Email (optional unless you have moved, responded to Q2 or posed a question requiring a response)

Please return to:

**University of Illinois at Urbana-Champaign
SUAA-UIUC Chapter
364 Henry Administration Building, MC-346
506 S. Wright St.
Urbana, IL 61801-3689**



University of Illinois at Urbana-Champaign
SUAA-UIUC Chapter
364 Henry Administration Building, MC-346
506 S. Wright St.
Urbana, IL 61801-3689

Non-Profit Org.
US Postage
PAID
Permit No. 75
Champaign, IL

ADDRESS SERVICE REQUESTED