WE ...too
Washington Education Association — Retired

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WEA-Retired Lobby Day: Issues and Answers

by Kit Raney and Lee Ann Prielipp

The WEA-Retired annual Lobby Day was February 23, which turned out to be a very snowy day around the Pacific Northwest. This didn't slow down a core of dedicated members of the WEA-Retired Legislative Action Team from meeting at 8:30 a.m. at WEA Chinook's office in Olympia for a briefing by WEA Lobbyist Randy Parr, and then heading up to the Hill to meet with legislators.

Our members met with a number of legislators and left the following documents with key legislators. These documents were well received as they provided clear background and information about the issues of concern for our retirees. A big thank you goes to members Barbara Lunde, Eleanor Gilmore and Karin Robbins for putting together the documents and arranging appointments. Also, thank you Sharon White for coordinating the briefing at WEA Chinook and making sure that we had coffee and snacks available.

History: PERS 1 and TRS 1

TRS 1 was started in 1938 when life expectancy was 56.6 for men and 60.6 for women. The economy was experiencing a long depression so no cost of living provisions were added. PERS 1 was modeled after TRS 1 and began in 1947.

These defined-benefit plans were closed to new members in 1977 when life expectancy was 69.2 for men and 77.2 for women. A series of Plan 2 pension plans was then created for newer state employees. There are many retirees and active employees covered by PERS and TRS 1 plans. The contribution rate has consistently been 6% of wages for employees. The balance of the plan assets come from employer contributions and investment earnings. Retirees receive 2% of the average of their salaries for their two highest earning years times their number of working years (with a maximum of 30 years counted.) A person working 30 years earning an average of $50,000 for his/her two highest years would receive a pension of $30,000 a year ($50,000x.02x30).

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I'm a union person

I am a union person and proud of it. I started out as a Building Rep my first year of teaching, was a member of many bargaining teams, spent two different stints as local president, and led my local on a 21-day strike.

Kit Raney, President
WEA-*Retired*

I was a proud activist for my entire 34-year teaching career. WEA-Retired is the only retired organization that is affiliated with WEA and NEA, so I remain a proud union member in retirement. What is happening to unions and public employees across the country makes me sad, angry, disillusioned and frightened for our profession. The rhetoric being used by those wishing to destroy us is mainly uninformed and hurtful. And they are using the economy as an excuse for their actions.

I'm sure you are well aware of the actions taken by Governor Scott Walker and Republican legislators in Wisconsin. Refusing to negotiate and stripping public employees of the right to bargain is not about the budget. It is an attack on public employees and public employee unions.

The outrage of the thousands of pro-public employee supporters showing up for rallies in Wisconsin and the efforts toward forcing recall elections in that state is heartening. Unfortunately the actions in Wisconsin are not an anomaly. There are actions of governors and legislators across the county that are equally alarming. Did you know that the Alabama Legislature passed a law in December that bans school employees from having their Alabama Education Association membership dues directly deducted from their paychecks? The good news is that a federal judge issued a temporary injunction on March 18th halting the implementation of that law. In granting the injunction, the judge stated that the AEA lawyers had "demonstrated a substantial likelihood of success on their claim" that the new law violates the organization's rights to free speech and equal protection as granted under the First and Fourteenth Amendments of the U.S. Constitution. Passage of this law had nothing to do with the economy of Alabama. Passage of this law is an attempt to cripple AEA.

In our neighboring state, Idaho, a bad collective bargaining bill has been passed that also limits teacher tenure, along with a "pay for performance" bill. These have nothing to do with balancing the state budget.

This year at least 17 other states have had some sort of negative legislation either introduced or passed dealing with vouchers, charter schools, due process, bargaining rights, pensions, layoffs, alternative licensure, and other issues which have little to do with balancing state budgets and much to do with attacking public employees and our rights.

In fact, many of these governors and legislators are focusing on this negative legislation instead of creating jobs and dealing with the important work of finding creative solutions to the state budget problems.

Although we in Washington have escaped the "hateful" legislation that

and proud of it!

is plaguing other states, we still have some fights ahead. A bill, House Bill 2021, has been introduced which, if passed, would do what the governor requested by eliminating the Uniform COLA for those who have not reached age 66, and also eliminating any increase to the Uniform COLA for those who already receive it.

As I stated in an earlier newsletter, we paid **our** pension contribution of 6 percent of our pay, while the state did not regularly meet **their** obligated contribution. The lack of contributions from the state is the main reason that the pension funds have an unfunded liability. Regardless of that unfunded liability, I believe that the state has a contractual right to continue paying our pensions and the Uniform COLA.

What can you do?

You can help the work in our state in several ways:

- Make sure that you are a WEA-PAC member. *See the article on page 4 of this newsletter by Ken Mortland for membership information.* We are only one election away from becoming a Wisconsin, Idaho or Alabama!
- E-mail, call or write to your Representatives opposing HB 2021.
- April 4 marks the anniversary of the assassination of Dr. Martin Luther King, Jr. Please join us in Olympia. Along with labor unions, civil rights organizations and religious leaders, we will demand human rights and dignity — starting with a quality education. The April 4 event begins at 11:30 a.m. We will be congregating in the Senate Hearing Room 1 in the Cherberg Building at our State Capitol in Olympia. WEAR RED FOR SOLIDARITY!

What else can you do?

NEA has announced **The 51 Fund** to help those who are working to keep our rights for collective bargaining alive.

What's 'The 51 Fund'?

What is happening now in Wisconsin is historic. Thousands of citizens are gathering in Wisconsin and across the country to protest proposed legislation that would strip public sector employees — which includes public school educators — of their collective bargaining rights.

In response, the NEA Foundation, at the request of the NEA, has created a vehicle so all concerned citizens can contribute to support the preservation of these rights.

The 51 Fund — 50 States. One Voice. Standing Together

The 51 Fund *(http://51fund.neafoundation.org)* will accept donations electronically and via mail to support NEA's efforts to oppose legislation in various states aimed at reducing the collective bargaining rights of educators and other public employees. (The 51 Fund is not limited or intended to benefit just NEA members.)

Anyone can contribute to The 51 Fund and contributions are tax-deductible.

At the beginning of this column I said that what is happening to unions and public employees across the country makes me sad, angry, disillusioned, and frightened for our profession. Because I am a part of a union, WEA-Retired, WEA and NEA, I do not feel powerless. Join me as we take action in support of our colleagues, our profession and public education.

WEA-PAC short stack

By Ken Mortland

At the 2010 WEA-PAC General Membership Meeting, I reported that WEA-Retired would attempt to double its WEA-PAC membership. I wanted to avoid telling them the actual numbers, as our membership had dropped off by 50 percent and I was only offering to replace that loss. But, they insisted upon numbers, so I told the assembled members that we were shooting for 100 members.

Ken Mortland

After that, WEA-Retired crafted a multi-part strategy to reach members. We sent out the joint letter from Kit and Mary to all new members of WEA-Retired and those who had "dropped off" the rolls. We set out to reach the rest of the membership through newsletters and local chapter drives. I'm happy to report that we now have 118 WEA-PAC members, which means we met our goal.

But, that's really only a short stack of pancakes. We should continue to work on building a full stack. That fact became clearer to me, when I set out to verify the WEA-PAC membership of our WEA RA delegation. Less than half of our delegation was listed on the WEA-Retired WEA-PAC rolls. We need to do better. We have 4,500+ members and 118 is only 2.62 percent of our membership. Recent events in Olympia should make abundantly clear our need to become active in WEA-PAC. So, here's the challenge.

Chapter representatives need to reach out to all the folks who are active in their local WEA-Retired Chapter and encourage all of those folks to join WEA-PAC. Then, reach out to the inactive membership and talk to them, too. I commit to doing this in my chapter.

WEA-Retired members, who are reading this newsletter, need to sign up for WEA-PAC. Remember, the fiscal year is Sept. 1–Aug. 31. So, if you haven't rejoined since Sept. 1, you're no longer a member. You can obtain the membership form at your local association office.

If you believe you have signed up since Sept. 1 and want to know if you're on the membership list, contact Ken Mortland at *kmort@frontier.com.*

Alliance for Retired Americans

Need information?

The most reliable source we know of is Alliance for Retired Americans (www.retiredamericans.org/). Center front on their home page is a form you can use to sign up for a Friday Alert to keep you up-to-date on issues that are important to you. There is also a connection to help you find a chapter here in Washington, and a quick, convenient form to use to communicate with your Representatives and Senators in Congress.

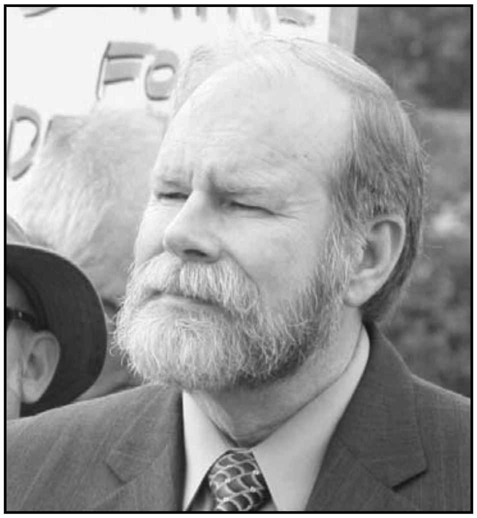
Take a look today!

Kudos and concerns

by Mike Ragan, Vice President Washington Education Assn.

Kudos to WEA-Retired! I just left a meeting of the WEA Clock Hours Committee where we were reviewing the evaluations of classes that offered clock hours. As usual, the pre-retirement classes that WEA-R members conduct were well received and had high ratings with many positive comments. After attending your classes, the active members are much more optimistic about retiring. You give them hope. Thank you for providing a valuable service.

The legislative session is dragging on. I am sure you heard that the most recent revenue forecast shows that the revenue projection is down again which will result in even more drastic cuts to the state budget. At this point, I do not have any information on how that will impact you. The House of Representatives' version of the budget should be out any day now, and the Senate budget will follow shortly thereafter. Neither version of the budget is expected to be well-received. With the economy as bad as it is, we will need to deal with reality. I remember from my engineering days, that I never had all the information I needed, nor the resources. I had to do the best I could with what I had. We are now all doing the best we can.



WEA Vice President Mike Ragan

The WEA Representative Assembly is coming soon. Last year, WEA-Retired worked to promote the pre-retirement seminars. The effort has been successful, and as I stated above, very much appreciated. I want to thank you for the work you did as active members, and add a very special thank you for the work you continue to do as retired members.

Update from Kit: A bill to eliminate the Uniform COLA
As of March 25, 2011

There is now a bill in the Legislature to eliminate the Uniform COLA, as requested by the governor. Any calls or e-mails opposing this Bill to members of the House Ways and Means Committee or to your own legislators in the House would be appropriate. See page 6 of this newsletter for information about the Uniform COLA.

HB 2021 was sponsored by Representatives Pettigrew, Darneille, Seaquist, Carlyle, Hunter and Cody; by request of Governor Gregoire.

The House Ways and Means Committee heard public testimony on this bill on Monday, March 21. Randy Parr, WEA lobbyist, and LeeAnn Prielipp, chair of the WEA-Retired Legislative Action Team, joined numerous other groups in providing testimony against this bill.

Follow the bill at *http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2021.*

Issues and Answers

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This amount applies if no survivor benefit is chosen. The current average benefit is about $19,500 annually – which means that retirees are not getting rich from their pensions.

A Uniform COLA

Because the quality of these plans became so degraded by inflation and some retiree incomes were falling below the poverty level, some benefits were later added in 1995. A one-time adjustment was made for those who were age 73 by 1993. A new benefit called the Uniform COLA was added in 1995. This COLA was not tied to inflation. It was $.59 times years employed times 12. For a person having worked 30 years, that would amount to $17.70 per month ($.59x30x12=$212.40). The $.59 was to increase by 3% each year. Therefore, the next year, 1996, the rate was $.61. This benefit does not begin until the year the retiree reaches age 66. Someone retiring at age 62 does not get an added benefit for four years, no matter how much inflation occurs in those years.

Gainsharing

Because the Uniform COLA was not tied to actual inflation, retirees continued to lose purchasing power each year that inflation increased. Gainsharing was added in 1998. With this benefit, extraordinary gains received from investments were then shared with retirees. Those investment gains, shared on even numbered years, were only for the amount over a 10% rate of return for four consecutive years. Consistent with having paid at least half of the cost for their plans, retirees only received half of the extraordinary investment gain amount over the 10%. The first gainsharing distribution to retirees was $.28 in 1998. This was added to the Uniform COLA with the same formula for distribution. A Plan 1 retiree at age 66 having worked 30 years received $.28x30x12=$100.80 a year.

Lee Ann Prielipp, chair of the WEA-Retired Legislative Task Force.

Even with the Uniform COLA and gainsharing, retirees were not keeping up with the cost-of-living increases. Regardless, gainsharing was repealed effective January 2008. The repeal was a takeaway of a benefit promised in Department of Retirement publications and was replaced by an increase of $.05 in the Uniform COLA. A lawsuit was filed and in September 2010 the judge ruled that the repeal of gainsharing was invalid.

The Problems:

Plans 1 are under-funded

While employees have always contributed their required 6% of pay for their pensions, the State has often failed to pay its required contribution and has frequently postponed its required payments toward its own unfunded liability.

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Retirees are losing promised benefits

The governor has proposed to repeal the Uniform COLA to balance the state budget. This proposal would cause Plan 1 retirees to further lose purchasing power and participate less in the economic activity of their local communities.

Proposed Reduced Medicare Supplement

The current Medicare Supplement is $182.89. The governor is proposing to reduce this amount to $150. This proposal would mean an automatic $30 increase in healthcare costs to Medicare retirees in addition to any regular medical insurance cost increases.

The Solutions:

Fund TRS 1 and PERS 1 incrementally and consistently to approach full funding.

This will help to accrue optimum interest from larger investments. It will protect our state's "full faith and credit" standings and insure against future use of the state's general funds to pay pensions.

Do not terminate Plan 1 Uniform COLA

Alternatives to outright elimination of this needed benefit must be found.

Maintain current level of Medicare-eligible subsidy

The explicit subsidy level should be maintained by determining other cost savings in the Health Care Authority medical plans.

Since our lobby day, House Bill 2021 has emerged which would remove the Uniform Cola that retirees receive the year they turn age 66. The reasoning mentioned in the bill is, "Due to the current extraordinary economic recession and due to financial demands of other core responsibilities of government it is not feasible for public employers to fund annual increases and continue to ensure the fiscal integrity of these pension funds."

It is important for retirees to follow this bill and to contact your legislators urging them not to support it. Your personal stories regarding pensions will help promote the need to keep the Uniform COLA.

Working on the Chinook newsletter: Len and Liz Booth devote time to stuffing the envelopes and getting the newsletter ready for mailing. Thank you Len and Liz!

WEA Retired

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The most common way people give up their power is by thinking they don't have any.

—Alice Walker

the only retirement group associated with WEA and NEA