



OREA *News Bulletin*

Fall 2011

A Publication of the Oklahoma Retired Educators Association

OREA TURNING 60 THIS YEAR!

Since our founding in 1952, through good times and bad, the Oklahoma Retired Educators Association has been the recognized voice for Oklahoma's retired public education employees. In 2011-12, we celebrate OREA's 60th anniversary by expressing gratitude to our founders, several generations of leaders, and tens of thousands of retired educators who have made up the membership of this great association.

Deeply rooted in Oklahoma's history and values, OREA is on the front line all year long standing up, speaking up and fighting to protect and promote the interests of retired educators. It's a tough job, but one we're proud to do.

Everything is made possible by the support of OREA's loyal members. Thank you. There's no organization like OREA. Let's all celebrate "OREA at 60" this membership year.



2012 OREA Convention & House of Delegates

The OREA Board of Directors has approved a recommendation of the Convention Committee that the 2012 Annual State Convention and meeting of the House of Delegates be held at the Marriott Oklahoma City Hotel and Conference Center on the Northwest Expressway, near Integris Baptist Health Center. The date will be Friday, May 11.

OREA apologizes for a limited previous announcement that the Convention and House of Delegates would be held on May 18, a date that became unworkable due to a hotel scheduling error.

The May 11 convention and delegates' meeting will be preceded by a free OREA member social event the evening before. Mark your calendar and plan to attend all the convention activities. Look for details in future publications.



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Lobbying for an Overdue COLA, and a COLA Fund

Will you join me as I begin lobbying my legislators for a long overdue cost-of-living benefits adjustment (COLA) for retired educators and establishment of a permanent fund to provide COLAs in the future? I'm going to contact my state representative and senator now, and I'll keep in touch with them all the way through the 2012 session of the legislature.

Weldon Davis
President

Why is it way past time for a COLA? It's a fact that retired educators have not had one since 2008, when retirees in the Teachers' Retirement System received 2%, while all other state pension system retirees received 4%. It was the same two years before that: 2% for retired educators and 4% for everyone else.

The cause for unequal COLA treatment in '06 and '08 was simple; the "assumed" COLA rate in law at the time was different for TRS compared to the other state retirement systems. It was unfair, but that's the way it was.

Now that assumed COLA rates no longer exist due to the passage of HB 2132 in the 2011 legislative session, there is no excuse for continued unfair treatment of retired educators.

It's our job to make sure legislators – Republicans and Democrats alike – make granting a fair and equitable COLA a high priority in the 2012 session. We won't get the COLA we deserve unless we ask for it.

To make COLAs possible in 2012 and beyond, we have to convince legislators to look for one-time and recurring streams of revenue in state government that can provide an initial COLA, and serve as COLA funding sources down the road.

Join with me. Let's start lobbying now without letting up until a 2012 COLA is secured and a permanent COLA fund is in place for the future. I think I'll start with a letter to my state representative.

A Sample Letter to My Legislator

Date

The Honorable Joe Smith
Oklahoma House of Representatives
State Capitol
2300 N. Lincoln Boulevard
Oklahoma City, OK 73105

Dear Rep. Smith:

As one of your constituents and a member of the Oklahoma Retired Educators Association, I write to seek your support and leadership for passage of a cost-of-living benefits adjustment (COLA) for retired educators in the 2012 legislative session.

Retired members of the Teachers' Retirement System have not received a COLA since 2008, when the legislature granted them a 2% benefits improvement while simultaneously approving 4% for retirees in the other state retirement systems. Similar unequal COLA treatment occurred in 2006.

Many of the 50,000 Oklahoma retired educators or their surviving beneficiaries live on fixed incomes and have been hard hit by several years of general inflation, but particularly by increases in the cost of energy and health care. The impact of the economic recession has also been severe.

Your support and leadership for a retired educator COLA in 2012 will be greatly appreciated, but I also encourage the same for the establishment of a permanent fund to serve as a source of future COLAs. A permanent COLA fund could help eliminate politics from a sensitive subject, and provide greater predictability for the granting of COLAs in years ahead.

I intend to communicate with you many times over the course of the coming months on these and other issues. Thanks in advance for your courtesy. I look forward to an open exchange of ideas.

Sincerely,

Mary Jones



2012 Legislative Goals Adopted by OREA Board

Based upon a recommendation from the Government Relations Committee, the OREA Board of Directors recently adopted the following legislative goals for the 2012 session of the Oklahoma Legislature.

1. Ensure adequate actuarial funding for the Teachers' Retirement System;
2. Protect and improve the TRS defined benefit plan;
3. Achieve TRS cost-of-living benefits adjustment (COLA) comparable to other Oklahoma state retirement systems;
4. Identify and secure sources of dedicated funding for establishment of a permanent State Retirement Systems Cost-of-Living Benefits Adjustment Revolving Fund;
5. Increase the TRS health insurance premium subsidy for retired educators;
6. Provide individual retirees the option to enroll/re-enroll in state-sponsored health insurance programs after initial retirement upon occurrence of a qualifying event (such as death, divorce, loss of coverage, etc);
7. Monitor and influence changes in law at the state and federal levels to ensure high quality health insurance offerings at an affordable cost to retired educators;
8. Increase from \$5,000 to \$7,500 the death benefit payable to beneficiaries of retired educators;
9. Protect the state's revenue base by balancing any tax cuts with corresponding withdrawals of tax credits;
10. Provide a one-time "catch up" benefits improvement to qualifying retired educators living at or below the poverty level, and who meet years of service criteria;
11. Support adequate state funding for public education at all levels; and
12. Expand by one member the Board of Trustees of the Teachers' Retirement System, the new member to be designated by the Oklahoma Retired Educators Association.



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Oklahoma Retired Educators Association

P. O. Box 18485

Oklahoma City, OK 73154

For just \$3.00 per month, join the only organization with the sole purpose of improving the lives of Oklahoma's retired educators or their surviving beneficiaries.

2011-12 OREA Membership Enrollment Form

The OREA membership year runs from September 1, 2011 through August 31, 2012.

Please select below the desired category of OREA membership: **"Annual"** or **"Continuous."**

OREA (State) – Select One

_____ **OREA "Annual"** (\$36.00, payable by check or money order to **OREA**.)

_____ **OREA "Continuous"** (\$3.00 per month, withheld from your Teachers' Retirement System benefit. Your signature and Social Security number are required by TRS at the bottom of the enrollment form for continuous membership.)

NEA-Retired **"Annual"** or **"Lifetime"** membership is optional.

NEA-Retired (Optional) – Select One

_____ **NEA-Retired "Annual"** (\$25.00, payable by check or money order to **OREA**. **NEA-R** dues may not be withheld from your Teachers' Retirement System benefit.)

_____ **NEA-Retired "Lifetime"** (\$200.00, one-time payment by check or money order to **OREA**. **NEA-R** dues may not be withheld from your Teachers' Retirement System benefit.)

The following section must be completed for all categories of membership. Please print.

Name Social Security Number (required for TRS for "continuous")

Address

City State Zip Code County

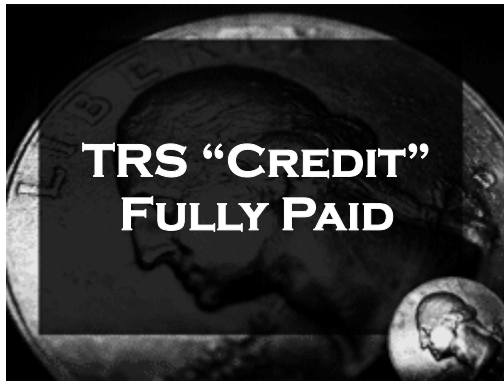
Telephone E-mail Address

Continuous Membership Authorization

I authorize the Teachers' Retirement System of Oklahoma to deduct \$3.00 each month from my benefit check and remit same to the Oklahoma Retired Educators Association for payment of membership dues. This authorization is to remain in effect until cancelled by written notice to OREA. I understand this is a voluntary authorization and my receiving a monthly benefit is not dependent on membership in OREA.

Signature

Date



The Teachers' Retirement System Board of Trustees was informed August 24 by Executive Director Dr. James Wilbanks that the retirement system had received full payment from the State Department of Education for the \$35 million retirement "credit," representing funding from the legislature to pay the partial cost of TRS contributions for active teachers. TRS received the funding prior to the June 30 end of its fiscal year.

OREA was fully aware of the "credit" funding problem as early as the summer of 2010, and supported action of the TRS Board to seek an opinion from the state's Attorney General directing payment to TRS. The AG's office, in fact, did render such an opinion, and the funding to TRS was restored in partial payments over a period of months.

TRS Funded Ratio Improves

The annual actuarial report on the Teachers' Retirement System was presented to the system's Board of Trustees on September 29 by representatives from Gabriel Roeder Smith and Company. As expected, due to passage of pension reform legislation during the 2011 session of the Oklahoma legislature, the funded level of the system rose from 47.9% to 56.7%.

The primary reason for the financial improvement was passage of HB 2132, which eliminated COLA assumptions from law and mandated that any future COLAs be paid for with upfront funding, rather than out of the assets of the pension system. The passage of HB 2132 alone reduced the unfunded liabilities of TRS by almost \$3 billion. Hence, with not a penny in new funding, the system looks much healthier today.



Membership Has Benefits!

Your membership with OREA gives you access to many member only benefits. Association Member Benefits Advisors (AMBA) helps to make the following benefits available to OREA members:

- Long Term Care Insurance
- First Diagnosis Cancer Policy
- Medical Air Services Association
- Dental Insurance
- Vision Plan
- Astrum Hearing Solutions
- Government Employee Travel Opportunities
- Vacations-to-Go Cruises
- La Quinta Inn & Suites Discount
- Dell Computer Discounts
- Apple Computer Discounts
- Identity Theft Solutions
- 1-800-FLOWERS Discounts
- AMBA TravelPERX Travel Deals
- Rental Car Discounts (Budget, Avis, & Hertz)

For additional information, contact our benefits provider, AMBA, at 800.258.7041.

- Advertisement -

TRS Death Benefit “Fixed” One More Time

Oklahoma lawmakers during the 2011 legislative session made another effort at “fixing” language in state statutes allowing a retired educator prior to death, or a designated beneficiary after death, to name a funeral service as the recipient of the deceased’s \$5,000 TRS death benefit. Doing so would allow the funeral service to accept “tax responsibility” for the death benefit, and allow all of the benefit proceeds to be utilized for final expenses. We hope this year’s effort got it right.

Under the new statute, upon official notice of the death of a TRS member, papers are provided to the named beneficiary. Included is a document which, once properly executed, will permit the payment of death benefits directly to a funeral service. In this way the beneficiary can apply the entire \$5,000 to funeral expenses. It also means the entire benefit amount will not be a part of the estate of the deceased person, thus no estate taxes would be due. For specific details, consult the Teachers’ Retirement System at (405) 521-2387 or (877) 738-6365 toll free.

Members Always **WELCOME** at Board Meetings

OREA members are always welcome to attend meetings of the Board of Directors, which are held eight times yearly, according to a schedule set in July. Future Board meetings are scheduled for October 19 (W), December 7 (W), January 18 (W), February 15 (W), April 11 (W), and May 10 (Th).

Except for May, meetings are held at OREA headquarters at 323 E. Madison (just northwest of the state Capitol), usually beginning at 10:00 a.m., and running until around 1:30 p.m., depending on the agenda. Call Sharon Cox at (405) 523-4373 or (800) 310-2230 toll free, to let her know you’re coming. We’ll make sure we have a seat for you, and we’ll even provide lunch. The May meeting is usually held the day before the Annual State Convention and House of Delegates. The May 2012 meeting will be held at the Marriott Oklahoma City Hotel and Conference Center on Northwest Expressway.

North American Life Plans



LifePlans, LLC™

North American Life Plans, an OREA endorsed company, offers the following products and services to OREA members:

- ❖ Investment advisory services
- ❖ Equity index annuities
- ❖ Fixed annuities
- ❖ Reverse mortgages
- ❖ Life insurance
- ❖ Life settlements
- ❖ Final expense insurance
- ❖ Medicare supplement plans
- ❖ Medicare Advantage plans

We pride ourselves in personal service with your financial interests in mind. Our goal is to help you achieve and maintain financial security in retirement. If we can be of service, please call (888) 362-1214.

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SECOND NOTICE OF ELECTIONS

OREA President and Vice President

Second notice is hereby given to members regarding the election of a President and Vice President at the OREA House of Delegates on Friday, May 11, in Oklahoma City. Candidates for either office must be members in good standing of both OREA and a local unit. The filing deadline to become a candidate for either office is Wednesday, May 2. Members interested in becoming candidates for either office are advised to contact Sharon Cox at OREA (405.525.2230 or 800.310.2230 toll free) for more information on election procedures. Candidates elected at the House of Delegates will serve two-year terms beginning July 1, 2012.

Directors in NW, SE & SW Districts

OREA members in attendance at district meetings in the Southeast, Southwest and Northwest districts will elect directors for three-year terms beginning July 1, 2012. District directors serve on the OREA Board of Directors. District meetings are tentatively scheduled for March 23, 2012 (Southeast District), March 29, 2012 (Southwest District), and March 30, 2012 (Northwest District). Meeting locations will be announced.

Candidates for district director positions must be members in good standing of both OREA and a local unit within the district where election is being sought. Interested candidates are advised to contact Sharon Cox at OREA (405.525.2230 or 800.310.2230 toll free) for more information on election procedures. The filing deadline to become a candidate for director in any of the three districts listed is Friday, March 2.



State revenues for July and August, the first two months of the state's fiscal year, are up considerably over figures for the same period the year before. That's welcome news to a state government that has experienced revenue shortfalls and reduced budgets for three straight years. In contrast to the lagging national economy, it appears the Oklahoma economy continues to show signs of growth. Most of the early increase in state revenues is seen in the form of higher personal income tax and motor vehicle tax revenues, up 38.9% and 27.9% respectively for August, 2011, compared to the previous year. We can use more good news like this.

OREA Finishes Fiscal Year in Positive Condition

Through prudent management of association funds, OREA completed the fiscal year on August 31 with revenues exceeding expenditures by approximately \$35,000, resulting in a significant improvement in the cash position of the organization.

STATE OFFICE CONTACT INFO

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**INSURANCE "GOOD" NEWS,
"BAD" NEWS**

The Oklahoma State and Education Employees Group Insurance Board, the governing agency for the HealthChoice insurance programs, announced in August that health insurance premiums for active educators and pre-Medicare retired educators would remain the same in 2012 as for the current year. Favorable claims experience for two straight years, plus the Board's use of almost \$38 million from agency reserves to subsidize rates, will prevent an increase of premiums.

Retired educators participating in the HealthChoice Medicare supplement plans will not be so lucky. Even with an OSEEGIB subsidy of approximately \$17 per person per month, participants in the HealthChoice Medicare Supplement Plan with Part D Prescription Drug Program will still face an increase of approximately \$24, for a total monthly premium of \$332.54. That's a premium increase of 7.85%.

Regular OREA office hours are in effect from September through May. The office is open for business from 9:00 a.m. until 4:30 p.m. Monday – Thursday, and 9:00 a.m. until noon on Friday. OREA observes major holidays, including Thanksgiving, Christmas, and New Year, in a similar fashion as most public schools. Messages left on the telephone answering system will be returned as soon as possible when the office is open for business. In cases of emergency, contact Executive Director Norman Cooper at (405) 640-9919.



The **OREA News Bulletin** is published four times yearly in January, April, July and October as the official newsletter of the Oklahoma Retired Educators Association. OREA Headquarters are located at 323 E. Madison, Oklahoma City, OK 73105. The opinions expressed in this newsletter do not necessarily reflect the official positions of the organization. Questions, comments, or suggestions about the **News Bulletin** are welcome, and may be communicated to Norman Cooper, Executive Director, P. O. Box 18485, Oklahoma City, OK 73154.

Oklahoma Retired Educators Association
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