

# NSEA-RETIRED

# ADVOCATE

September 2007  
Volume 3: Issue 1

## NSEA-Retired Officers:

Joe Higgins, President  
402-339-5164  
nebrjoeomaha@yahoo.com

Irene Burnside,  
Vice President  
ireneb59@aol.com

Ruby Davis, Secretary  
rddelta@msn.com

John Jensen, Treasurer  
jensen.omaha@gmail.com

## District Directors:

Pat Etherton, Capitol  
pether@alltel.net

Tom Black, Elkhorn  
wpc6296@cableone.net

Roger Rea, Metro  
rurea@aaahawk.com

Jim McDermott, Panhandle  
jpmcdermo@hotmail.com

John Kruse, Sandhills  
jkruse@inebraska.com

Tom Black,  
Newsletter Editor

## President's Message—Joe Higgins

One of the best things about a lifelong career in education is the sense of renewal that each new school year brings. Each year we welcome the new school year, new students into our life, and look forward to new partnerships so important in the educator/student relationship.

This period of renewal is no less important for the members of the Retired Association. Each year we welcome new retirees to our association, look forward to continuing the relationships formed during our retirement, and continue our effort to make NSEA-Retired the most productive educator retirement group in Nebraska.

As we begin another year it is a good time for us all to renew our commitment to our professional association. NSEA-Retired is dedicated to the advancement of the interests of retired educators across the state. Our success is in large part dependent upon the involvement of the greatest number of members possible.

Now is the perfect time to volunteer to participate in the NSEA-Retired Intergenerational Mentoring Project. This nationally-recognized program offers the knowledge and experience of retired educators in partnership with students in teacher colleges across the state as they prepare to enter the teaching profession. It is a rewarding experience for both the mentor and the student. This year's program will kick off at the Carol Joy Holling Conference Center near Ashland on October 7<sup>th</sup> & 8<sup>th</sup> with a training session conducted by NEA trainers, during which mentors will meet their student and learn more about the benefits of this highly successful program. Room and board will be provided for all participants. To register to become a mentor contact Maureen Nickels at 1.800.742.0047 or register on-line at <http://nsea.org/members/retired/index.htm>

Make plans now to attend the NSEA-Retired Conference Fall Conference scheduled for October 16<sup>th</sup> at the George Spencer Vineyard & Wine Tasting Room in Gibbon. This event replaces the mini conference held in the western part of the state in the spring. The metro area conference will be scheduled in the spring as it has been in the past. This conference will continue to provide a great opportunity for retired members to attend interesting break-out sessions while networking with retired colleagues. There is no cost to attend. You can register by contacting Judy Schwaller at NSEA at 1.800.742.0047 or by registering on-line at <http://nsea.org/members/retired/index.htm>

NSEA-Retired members will take part in Nebraska's first annual "Outreach to Teach" project on Oct. 27<sup>th</sup>. Student, active, and retired NSEA members will gather that morning to give a little extra loving care to the building and grounds of Indian Hill Elementary School. This is a wonderful opportunity to work

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**PRESIDENT:**

**Volunteers needed for fall Activities**

*Continued from Page 2*

side by side with fellow educators as we spend a few hours improving the learning environment for the teachers and students. Volunteer by registering at <http://nsea.org/members/retired/index.htm>

NSEA-Retired works closely with local retired associations to provide member benefits for retired educators. Our goals include improving educator retirement benefits, obtaining health care benefits

for retired educators, protecting Social Security benefits, and partnering with active educators to advance quality education for all Nebraska students. Current local associations include Omaha, Lincoln, Millard, Bellevue, Grand Island, Westside, Elkhorn/Sandhills, Panhandle Central, and Panhandle South. If there is not a local retired association in your area, this would be a great year to start one. For more information on how to get a local retired association started, contact me at [jbhomaha@yahoo.com](mailto:jbhomaha@yahoo.com)

Welcome, and best wishes for another outstanding retired association year.

**EHA Blue Cross rates for pre-65 retirees increase by 7.8%**

NSEA-Retired members under the age of 65 who are insured by the Educators Health Alliance Blue Cross Retiree Coverage will see a 7.8% increase in premiums for next year. The premium increase will be effective beginning in September, 2007. The chart below shows the monthly premiums for both this year and next year:

	<u>2006-07</u>	<u>2007-08</u>
Single coverage with single dental	\$405.32	\$437.17
Family coverage with family dental	\$875.08	\$942.91

For 2007-08, there is only one change in coverage. The co-insurance maximum will increase from \$1,500 to \$1,750 for single coverage, and from \$3,000 to \$3,500 for family coverage. The co-insurance maximum is the upper limit on how much you must pay out-of-pocket. Next year, for a single policy, you will pay the first \$550 of medical expenses (your deductible), then you will split the covered medical expenses with Blue Cross by paying 20% of covered charges while Blue Cross pays 80% of covered charges. You will continue with that sharing of expenses until you have paid \$1,750 in addition to your deductible amount. Once you have paid a total of \$2,300 out-of-pocket (your deductible of \$550 and an additional \$1,750 in co-insurance), the insurance policy will pay all of your covered medical expenses for the rest of the calendar year. You would need to run up medical bills of \$9,300 to reach the new co-insurance maximum. The change was made to keep the premiums as low as possible.

You can get additional information on the rates, as well as further explanation of the plan changes, by visiting the Educators Health Alliance web site, [www.educatorshealthalliance.org](http://www.educatorshealthalliance.org).

—Roger Rea, NSEA-Retired Board

**Will You Face a Difficult Transition to Digital Television?**

While many of our members who still rely on antennas to receive traditional broadcast signals have so far been able to ignore the growth of digital television, they will have to make changes by **February 18, 2009**. On that date the date the 60-year old analog channels will be turned off.

At that time, TV sets lacking digital tuners will stop working, unless they are connected to cable or satellite systems or have an add-on conversion box. It is expected

that seniors are expected to face the most difficulties from this switch. Americans age 50 and over watch more television than any other age group and they are most likely to receive broadcast television signals over-the-air without purchasing cable or satellite services. They are also the least likely to own newer-model TV sets with built-in digital tuners.

A number of potential problems could arise from trying to connect add-on tuner boxes to the back

of their current sets. Furthermore, there is significant confusion amongst the general population regarding the transition. The National Association of Broadcasters estimates more than 60% of people are currently unaware of the impending switch.

NSEA-Retired will attempt to keep you informed about developments and how they might affect you.

—John Jensen,  
NSEA-Retired Treasurer

## **New cost-of-living adjustment is a boon to older retirees – and the State!**

Inflation slowly erodes the purchasing power of retirement incomes. The longer you are retired, the more impact inflation has on your ability to purchase goods and services. The Nebraska Legislature, at the request of both NSEA and NSEA-Retired, has addressed this issue in a variety of ways over the years. Minimum pension benefits were increased in the 1980s; a 1.5% automatic cost-of-living adjustment was added in 1999; and the automatic cost-of-living adjustment was increased to 2.5% in 2001. In addition, all Nebraska school pensions have permanent inflation protection: if the purchasing power of your pension drops to 75% of the purchasing power at the time of your retirement, you will get the actual cost-of-living adjustment to maintain your purchasing power at the 75% level. (Members of the Omaha School Employees' Retirement System are not affected by these provisions – Omaha has its own inflation-protection mechanisms.)

LB596, the priority bill for Sen. Gail Kopplin (who introduced the bill on behalf of retired teachers) this past Legislative session, was passed on May 16, 2007. The bill carried the "emergency clause," which meant that it became effective May 17, 2007, one day after the bill was signed by the Governor. LB 596 provides for a one-time adjustment of all Nebraska school retirement pensions to increase pensions to 85% of the purchasing power at the time of retire-

ment. (Members of the Omaha School Employees Retirement System received a similar increase a few years ago, and were not included in LB 596.)

Annual cost-of-living increases to retirement pensions are made in July each year. If the purchasing power of a retirement pension has dropped to the 75% floor, the retiree receives the full increase in the cost-of-living for the previous year. Otherwise, the retiree receives the actual increase in the cost-of-living, subject to a maximum increase of 2.5%.

According to Phyllis Chambers, Director of the Nebraska Public Employees Retirement Systems, the School Employee Retirement System currently has 14,518 retirees. A total of 2,827 of these retirees had pensions that had fallen to the 75%-of-purchasing-power level, representing 21% of all retirees. All retirement pensions that were below 85% of the purchasing-power-level in June 2007, were adjusted in July to increase the purchasing power to the 85% level, affecting an additional 1,487 retirees. Individuals who retired earlier than 1993 are among those who received the benefit from LB596.

A total of 4,314 retirees received the 85% purchasing-power-adjustment (30% of all retirees), while an additional 9,867 received a 2.5% increase. Individuals who have been retired less than one year do not receive cost-of-living adjustments. The actual number of additional dollars paid to retirees in July

for both the annual cost-of-living increase and the 85% restoration-of-purchasing-power increase was \$773,836. The impact is even larger when considered on an annual basis. Pensions paid to retirees will increase by \$9.3 million during the coming year. This increase will be permanent for the individuals who are affected.

While LB596 provided a one-time adjustment to pension incomes, all retirees will continue to be protected by the 75% purchasing-power-floor starting in 2008. All of the retirees who received the increase provided by LB 596 were retired prior to the implementation of the current 2% retirement-multiplier formula; most are over the age of 80; and many of them retired prior to 1980. You may recall that inflation in the 1980s was running above 10% per year. Interestingly, there are 571 retirees over the age of 90; 848 more are between 85-89 years old; and an additional 1,273 are between the ages of 80-84.

School retirees received a total of \$20.8 million in retirement benefit payments in July. This money is returned to the Nebraska economy several times over, as the money is spent in local stores and communities for the goods and services that retirees need to purchase. In short, the increase in pension income is a boon for the retirees, and adds more than \$250 million to the economy of the State of Nebraska each year.

—Roger Rea, NSEA-Retired Board

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## **Where is your Access card?**

Recently you received the NSEA Access card and I wonder what you did with it. I received mine and, as in past years, was about to put it aside in the "get to it later" pile but changed my mind and registered it. Then curiosity set in and I started exploring the web site for the great values that the letter said were available and guess what—there are great values available. I entered the Burwell Zip Code and there were 7 businesses in Ord (16 miles away) where I could use the card. Then I explored Grand Island and got 7 pages of businesses, and my brother's zip in Colorado and got 25 pages. I will be traveling to Colorado soon so explored Ogallala, NE, for motels and found one for 50% off, along with other businesses I may want to visit while there. Please don't bury your Access card. Even small savings will add up. Have a great year.

—Joyce Huggans, Burwell, NE



# The Intergenerational Mentoring Program

## Kick-off Dates are October 7 & 8 (Sunday & Monday)

~ Mentors Needed ~

A unique opportunity for a retired Mentor to pair with a Teacher Education Junior to share the “Experience of Age with the Exuberance of Youth,” to assist in the training of a future K-12 teacher

Training to take place at Carol Joy Holling Conference Center, Ashland, Nebraska

**Register on-line at [www.nsea.org](http://www.nsea.org); click on “For Members;” on NSEA-Retired; on the Blue Box to register for Intergenerational Mentoring training**

### Reflections of an Intergenerational Mentoring Mentor.....

Henry David Thoreau once said, “None are so old as those who have outlived enthusiasm.” If you participate in the Intergenerational Mentoring Program, you’ll have no worries about outliving your enthusiasm for education.

Interacting with my mentees brought me the same tingling I recalled upon entering the profession decades before with a little trepidation, a little relief, and a lot of expectations bubbling inside. The mentor relationship is a rewarding forum for veteran educators to experience the pride in sharing trade secrets with the

next generation. It truly allows you to be a guide by their side.

One evening I got a call from a mentee. She was overjoyed about the huge bonus points the campus book fair had generated under her direction. “Now,” she giggled, “what books should we choose?” Hours later, sprawled on the floor amongst catalogs and samples, she knew I was enjoying this task even more than she was. Bonding over books is a good thing!

Another day, I got a call with tears in the background. “I have a job offer, but it’s not exactly the one I want.” With tears and chuck-

les on both ends of the line, we problem-solved some scenarios. The end result was landing the job she preferred. Administrators exhibit interest in our opinions and referrals because they know we have long-term knowledge of this applicant’s demeanor and competency. One principal stated, “Keep us posted on the great ones you see coming along.” A mentor’s recommendation is just one more asset on the resume.

Sometimes the conversations we had were mundane or pragmatic. “How do I make a flannel board? Any ideas for a thematic unit on bees? What management techniques worked for you?” Sometimes topics were philosophical or theoretical. But always, being with the mentees is like plugging your educational cell phone into a supercharger. It adds that extra energy to the joy of retirement and allows for personal reflection on a successful career that you can share with pride.

—Glenda Frasier, Mentor

Class of 2006:

Mentor:  
Glenda Frasier (center)

Mentees:  
Jade Reeves (left)

Heidi Weber (right).



## Medicare Advantage – too good to be true?

You've seen the ads, and may even have gone to one of the free dinners advertising Medicare Advantage Plans. The concept that is pitched is simple: sign up for Medicare Advantage, pay no premiums other than Medicare Part B, and get full Medicare coverage – including the coverage you have with your current Medicare supplement, as well prescription drug coverage. How do they offer such a rich plan for no additional premium cost? Easy. Your choice of hospitals and doctors is severely limited; there are co-pays (that are not part of the original Medicare program) for most items; many plans are not stable, and either change benefits or go out of business; you must follow specific rules to get both covered care and emergency care; and you may not be covered if you are out your service area. In addition to those drawbacks, there are higher costs for everyone with either Medicare or Medicaid as a result of Medicare Advantage.

Medicare Advantage Plans replaced what was known as "Medicare + Choice Plans" in 2006. The Medicare Modernization Act also authorized Rural Preferred Provider Organizations, R-PPOs, in 2006. There has been considerable marketing for these R-PPOs in the past two years in the rural areas of Nebraska. The question that quickly comes to mind is, "Why the sudden big pitch for private Medicare plans?" The simple answer: salesmen get up to five times

more commission for enrolling participants in private Medicare plans than they get for enrollment in a stand-alone Medicare Part D drug plan. Salesmen have been known to sign up everyone they can to get the additional commissions – including the mentally infirm, those who are incapacitated, and even those who are deceased!

Private plans in Medicare were first introduced in the 1980s. Initially, private plans were promoted as a way to save money for both beneficiaries and taxpayers. In theory, managed care offered the potential of better-coordinated patient care than the traditional fee-for-service Medicare system. Better care could lead to improved health outcomes and increased savings. In reality, however, private Medicare plans have never saved money compared to traditional Medicare. On average, Medicare Advantage plans receive 12% more per member than it would cost to provide care for that person under traditional Medicare. Medicare Advantage Plans receive the inflated payments directly from the premiums that that everyone pays for Medicare Part B. All Medicare participants pay higher premiums for Medicare Part B than would otherwise be the case to provide this subsidy.

A recent study by the Medicare Rights Center, [www.medicarerights.org](http://www.medicarerights.org), showed that traditional Medicare has administrative costs of about 3%, while Medicare Advantage Plans had administrative costs of from 10-15%. Peter Orszag, Director of

the Congressional Budget Office, said, "...private plans can provide Medicare services at a lower cost than [traditional Medicare] only if they can achieve savings through lower utilization or reductions in payments for providers that more than offset their higher administrative costs."

In Nebraska, roughly 267,000 seniors are enrolled in traditional Medicare, while 13,000 are enrolled in a Medicare Advantage program. According to a study done in 2007 by the Commonwealth Fund, [www.cmwf.org](http://www.cmwf.org), in Nebraska, Medicare pays the Medicare Advantage Plans \$982 per enrollee more than would be paid for an enrollee in traditional Medicare. Most seniors in Nebraska remain in traditional Medicare, and each one of them pays roughly \$24 more per year for their Medicare Part B coverage than they should pay, with all of that money going to the companies providing Medicare Advantage Plans.

When considering Medicare Advantage Plans, keep in mind that everyone in traditional Medicare will be helping to pay for the benefits you will receive. The benefits under Medicare Advantage Plans are not "free." Moreover, your coverage will be more limited than it would be under a traditional Medicare plan. Just remember the advice you got from your parents: "If something sounds too good to be true, it probably is."

—Roger Rea,  
NSEA-Retired Board



**SAVE THE DATE**  
**OCTOBER 16, 2007**

**NSEA-Retired Fall Conference**  
**Geo. Spencer Vineyard**

**7155 Pawnee Road, Gibbon, NE 68840; 1-308-468-5612**  
**From Highway 30, East of Gibbon, Turn south on Pawnee Road**  
**Continue south on Pawnee Road a little past the 7th Street/70th Road intersection**

~~~ Tentative Agenda ~~~

9:30 Registration and refreshments  
10:00 Welcome and Guest Speaker  
11:00 Breakout Session # 1  
12:15 Luncheon and Guest Speaker  
1:00 Business Meeting  
2:15 Breakout Session # 2  
3:30 Guest Speaker and Door Prizes  
4:00 Appetizer and Refreshment Reception

**Register TODAY on-line**

[www.nsea.org/retired](http://www.nsea.org/retired)

**or call**

Judy Schwaller at 1-800-742-0047 or e-mail [judy.schwaller@nsea.org](mailto:judy.schwaller@nsea.org)

~~ No cost to attend fro Members ~~  
(Guests are welcome at \$10.00 per person)

The NSEA-Retired Mini-Conference for eastern Nebraska members  
will be held in spring 2008 as usual.

# “OUTREACH TO TEACH” PROJECT

**NSEA-RETIRED – SEAN  
NSEA – NEA-RETIRED – NEA**

**~ ~ ~ Volunteers Needed ~ ~ ~**

**When: Saturday, October 27 (morning)**

**Where: Indian Hill Elementary at 3121 U St.,  
Omaha**

Volunteer to contribute your time, energy, and skills. Spend 4 hours on a Saturday morning working with our student and retired members by grabbing a hammer, a shovel, a paint brush, or mop to repair, paint, landscape, clean, or decorate a school that needs a loving make-over!!!



Register on-line at

**Register on-line at [www.nsea.org](http://www.nsea.org); click on “For Members;” Click on NSEA-Retired;  
click on the Blue Box to register for Outreach to Teach  
or contact**

**Maureen Nickels at 308-380-3919 or [maureen.nickels@nsea.org](mailto:maureen.nickels@nsea.org)**

**Several possible tasks:** (Depending upon the number of volunteer students and retired and the availability of materials:) Repaint teachers’ lounge; Paint Staff restrooms upstairs and nurse’s office (3 rooms;); Paint restroom stalls and restrooms (boys and girls, 6 rooms;); Build shelves in storage room to store more supplies; Organize extra clothes in nurse’s office, sort into bins and label, may need more bins; Paint Bear Paw in front of door (entrance;); Paint main office area (warm neutral tone;); Trim bushes/small trees and weed around grounds; Paint entrance hall area ; Paint portables, sides and trim.



### **Medicare seminars scheduled in November**

Individuals who are currently on Medicare may make changes in the provider for their Medicare Part D coverage, the prescription drug benefit, from November 15 – December 31 of each year. The changes will not be effective until January 1, 2008. NSEA-Retired members who are not currently on Medicare, as well as those who want to learn more about Medicare Part D coverage, are invited to attend one of a series of six seminars on Medicare that will be co-hosted by NSEA-Retired and Blue Cross in various locations around the state in November. The meeting locations and schedule were not complete at the time this newsletter went to press. The tentative schedule has the meetings during the week of November 12-16, at six sites across the state (Sidney, Ogallala, Hastings, Milford, Omaha, and S. Sioux City). The exact dates, times, and location of the meetings will be sent to NSEA-Retired members then the schedule is finalized. Reserve time on your calendar, and watch for complete details in the US mail later this fall for these important information sessions about Medicare.

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### **Retirement Seminars in 2007-2008**

For the past three years, NSEA-Retired has presented pre-retirement informational seminars across the state. The seminars have been met with resounding approval from NSEA members and represent a cooperative effort between the active members and the retired members of the NSEA. There are two main goals in delivering these seminars: (a) to provide information about retirement benefits and retirement planning that active members need as they near retirement age; and (b) to increase membership in NSEA-Retired. In actual numbers, NSEA-Retired is the third fastest growing retired organization in the nation!

More than 96% of those who attended rated the seminars as “Excellent” or “Very Good,” and 73% of them thought they learned more in the seminar sponsored by NSEA-Retired than they did in the all-day retirement planning sessions sponsored by the State Retirement System. **NSEA-Retired will again offer these retirement planning sessions to locals that intend to provide the information to their members. If your local leaders want to schedule a session this year, contact Roger Rea at rrea68154@yahoo.com**

*—Roger Rea, NSEA-Retired Board*

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Mailing Address Label



# NSEA-RETIRED

# ADVOCATE

February 2008  
Volume 3: Issue 2

## “THE COMMITMENT CONTINUES”

A common characteristic of the 4,000 “retired” members of NSEA is their continued commitment to high-quality educational opportunities for the more than 300,000 school children attending Nebraska’s public schools. “Service” is a unifying element within the character of almost all public school teachers. When teachers retire, the character and values that directed them to a career in education continue during their retirement years in a variety of ways.

**First:** Retired members are at the forefront of local efforts to see that their community schools have the resources necessary to provide high quality education opportunities for students. Indeed, retired teachers are a resource in most districts, as school volunteers every day. Retired educators assist in local school district bond issues and levy override efforts necessary to maintain decent school facilities, competitive teacher salaries, responsible class sizes, and 21<sup>st</sup> century learning materials for students.



Joe Higgins

**Second:** Retired members work together with active members in advancing the NSEA legislative agenda each year. Our commitment to improve the salary status of Nebraska teachers is no less than it was when we spent our days in the classroom. The current ranking of teacher pay status in Nebraska remains unacceptable and we continue to advocate for an increase in Nebraska’s average salary rankings.

**Third:** Retired teachers are also passionate about electing state officials such as members of the Unicameral, State Board of Education, Regents, and local school boards committed to quality public schools. Retired educators take part in voter registration drives and Get Out the Vote efforts, and they help provide ballot information to voters. Most important of all, retired educators vote.

**Fourth:** Pre-retirement seminars conducted by retired members for NSEA members approaching retirement provide useful information for those nearing retirement. In recent years, more than 500 active members per year have attended one of these seminars provided by NSEA-Retired. Many seminar participants believe the information they receive is very important as they make retirement decisions.

**Fifth:** The NSEA-Retired Intergenerational Mentoring project remains a national model in providing retired educators the opportunity to work with student members preparing for a career in education. Students who participate in the IG program are more likely to remain in teaching beyond those often-difficult first years, and they provide new leadership within their local association.

**Sixth:** Retired member’s work side by side with students and active members each year as NEA conducts its annual Outreach to Teach project held in conjunction with the student and retired conferences held just prior to the NEA Representative Assembly. This year, Nebraska’s first Outreach to Teach project provided an opportunity for retired member, student member, and active member volunteers to work together renovating the learning environment within one Nebraska public school.

There are, of course, important retirement issues that need our attention. We are concerned with Social Security reform efforts, improvements in the public employee pension system, and keeping escalating health care costs under control. Even as we address these retirement issues, we remain “educators at heart,” committed to the advancement of quality education for all children. Retirement does not end our commitment; we continue to serve the children.

### NSEA-Retired Officers:

Joe Higgins, President  
402-339-5164  
nebrjoeomaha@yahoo.com

Irene Burnside, Vice President  
ireneb59@aol.com

Ruby Davis, Secretary  
rddelta@msn.com

John Jensen, Treasurer  
jensen.omaha@gmail.com

### District Directors:

Pat Etherton, Capitol  
pether@alltel.net  
Tom Black, Elkhorn  
wpc6296@cableone.net  
Roger Rea, Metro  
rurea@aaahawk.com  
Jim McDermott, Panhandle  
jpmcdermo@hotmail.com  
John Kruse, Sandhills  
jkruse@inebraska.com  
Jan Barnason, Tri-Valley

Tom Black,  
Newsletter Editor

# VOTE VOTE VOTE

The January issue of the *NSEA Voice* contained the self-nomination forms for retired members who wish to seek election as an NSEA-Retired delegate to the NSEA Delegate Assembly and to the NEA-Retired Annual Meeting and NEA Representative Assembly or as a District Director or Officer of the NSEA-Retired Board of Directors.

**The deadline for the submission of a nomination is February 11. Ballots will be mailed to all NSEA-Retired members on February 27 with a return deadline of March 12.**

**NSEA-Retired Officers to be elected to a three (3) year term of office:**  
President and Vice President

**NSEA-Retired Board Members to be elected to a three (3) year term of office: One Board member from each of the following Districts:**  
Capitol District, Elkhorn District, and Sandhills District

**NSEA-Retired Delegates to the NSEA Delegate Assembly (14 to be elected):  
April 25/26, 2008 – Lincoln Cornhusker Hotel**

Capitol District - 3 Delegates; Elkhorn District - 1 Delegate; Metro District - 5 Delegates; Panhandle District - 1 Delegate; Sandhills District - 1 Delegate; Tri-Valley District - 2 Delegates; At-Large (all membership) 1- Delegate

**NSEA-Retired Delegates to the NEA-Retired Annual Meeting & NEA Representative Assembly (3 to be elected): June 26/July 6, 2008 – Washington, D.C.**

At-Large (all membership) - 1 Delegate; From the combined membership of Capitol, Elkhorn, Panhandle, Sandhills and Tri-Valley Districts - 1 Delegate; From Metro District - 1 Delegate

These elections are important to the continued vitality of our Association. Your continued involvement and your participation in leadership roles are important to your retired colleagues everywhere. Please RUN and VOTE.

**Go to [www.nsea.org/members/retired](http://www.nsea.org/members/retired) to access self-nomination forms and weekly to check who has filed for election.**

## **Meet your Senator at LOBBY DAY February 12, 2008**

**REGISTER TODAY!** Tuesday, February 12, 2008, is the date that NSEA-Retired members will gather to visit with their State Senators about important education and retirement issues. Agenda for the day includes:

8:30 Registration (rolls and coffee).

9:00 Issue awareness training by NSEA Government Relations Team

10:15 Observe Unicameral Session and speak with your Senator.

11:45 Lunch and Guest Speaker at Governor's Mansion

1:30 Attend Committee Hearing (Optional)

Our goal is to have retired members participating from every Legislative District. There is no registration fee to attend this annual event. **Register on-line at [www.nsea.org/retired](http://www.nsea.org/retired) or call Judy Schwaller 1-800-742-0047.**

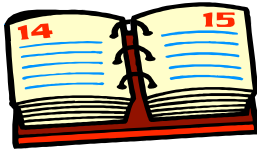
There is a deadline of Friday, February 8, for those attending the luncheon at the Governor's Mansion.

The NSEA Legislative Agenda for 2008 can be found on the NSEA web page at [www.nsea.org](http://www.nsea.org).



Barbara Blackburn & Sen. Tom Carlson,  
District 38, Holdrege.

## NSEA-Retired 2008 Annual Conference April 14-15 Ashland, Nebraska



# SAVE THE DATE

## 'The Committment Continues'

On Monday and Tuesday, April 14 and 15, 2008, NSEA retired members will gather in Ashland for a state-wide annual meeting that is sure to be one of the best ever! Kick-off events will take place on Monday evening at the Strategic Air & Space Museum with a

reception, guest speaker, and museum tour. The Tuesday agenda will be highlighted with guest speakers, the ever popular "table talk" sessions, a business meeting, information booths with materials of interest to retired educators, and great food at the Ashland Country Club.

**Register on-line at**  
**www.nsea.org/retired;**  
**or call Judy Schwaller at**  
**1.800.742.0047.**

Full conference agenda and materials will be sent to registrants by April 1, 2008.

### The October 16, 2007, Greater Nebraska Fall Conference

More than 65 members attended the Gibbon conference, They will attest to the informational value and the fun enjoyed by all at the meeting. Many will probably attend the Annual Conference at Ashland in April.

During the Business Meeting, NSEA-Retired Board member Roger Rea and NSEA staff member Herb Schimek presented a "Call to Action" on legislative retirement issues. De Tonack presented an overview of the Fifth Intergenerational Mentoring Project and Tom Black explained the Outreach to Teach Project held at the Indian Hill Elementary School in Omaha.



Tom Bassett, a professional appraiser of antiques and coins, led a session on the value of antiques. Tom shared his knowledge on collecting and evaluating antiques and gave free appraisals on objects brought by the conference participants.



Sue Warner, second from the right, gave updates of coverage for those members who are pre-65 and on the EHA BCBS Health Insurance. She discussed what members need to do in preparation for Medicare and the need for supplemental health insurance.

In a second session, Sue presented updates of coverage for those members who have reached age 65 on Supplemental Insurance policies that are endorsed by NSEA-Retired which include one from Blue Cross Blue Shield entitled NSEA Blue Senior Classic.



## Outreach to Teach

Each year before the NEA Representative Assembly, the NEA Student Program and NEA-Retired reach out to a school in need of some loving care and a touch of renewal. More than 300 student and retired members participate in the one-day effort. In Nebraska, the Student Education Association of Nebraska (SEAN) has long wanted to duplicate the model and this year, with members of NSEA-Retired, their dream found fruition on October 27 at the Indian Hill Elementary School in Omaha.

Picture to the right: standing left to right: Roger Rea, Dee Rankin, Lily Eskelsen, Joe Higgins, Ruby Davis, Cheryl Richardson, Irene Burnside, and Carol Hipp. Kneeling left to right: John Jensen, Pat Etherton, and Kate Murphy.



The CREW (135 participants with over 100 students, 25 Retirees, 6 actives and NEA Secretary-Treasurer Lily Eskelsen:) They painted the outsides of six portable buildings, the walls of several restrooms, office rooms, and the faculty lounge; built shelves for the faculty supply room; separated a ton of donated used clothing into containers for distribution to needy students; and sorted library books and general supplies. All enjoyed the Fun and Work.

## NSEA-Retired Bylaws up for revision

**Subject to a membership vote at the April 15, 2008, Annual Meeting in Ashland**

A group of NSEA-Retired members appointed by President Joe Higgins has been working since April 2007 to revise the NSEA-Retired Bylaws. The Committee, chaired by NSEA-Retired Board member Roger Rea, worked through three revisions. An “exposure draft” was presented for discussion at the NSEA-Retired Greater Nebraska Fall Conference in Gibbon in October. Suggestions made there were incorporated into the final draft, which was presented to the NSEA-Retired Board in November 2007. The NSEA-Retired Board voted to advance the document to the NSEA-Retired membership for a vote at the annual meeting to be held April 15, 2008.

Draft #4 of the Bylaws revision document is available on the NSEA-Retired web site at [www.nsea.org/members/retired](http://www.nsea.org/members/retired). An increase in the

size of the NSEA-Retired Board of Directors is among the changes proposed. The recommendation calls for adding a member to the Board from Metro District. If approved, all changes will become effective in September 2008.

**Any comments on the Bylaws should be sent to Roger Rea at [rrea68154@yahoo.com](mailto:rrea68154@yahoo.com).**

Bylaws Committee members are Barbara Blackburn, De Tonack, Dee Rankin, Jim McDermott, Ruby Davis, Tom Black, Roger Rea (Chair,) and ex-officio members Joe Higgins, Craig Christiansen, and Mo Nickels.

—by Roger Rea, NSEA-Retired Board Member

## EHA to move to 4-tier rate structure

The Blue Cross insurance plan for active employees and pre-65 retirees is Educators Health Alliance. EHA currently uses a two-tier premium structure: single and family coverage. Beginning in September, 2008, EHA will implement a 4-tier premium structure: employee only; employee plus spouse; employee plus children; and employee plus spouse and children. The actuarial consultant for EHA developed a premium structure for the new 4-tier arrangement that will generate as much in total premium as is currently generated under the two-tier premium structure. (A simulation of premiums for the proposed 4-tier structure generated the same premium income as the current 2-tier structure, using the 2007-08 claims experience as a base.)

Health insurance costs go up

each year, driven by both medical inflation and increased payments per member. It is important to note that the premiums you pay for health insurance go to pay the claims for all members in the group – if claims do not exceed the premiums raised, the excess is placed into a reserve account under control of EHA to be used to help stabilize future premium increases. The EHA Board will look at claims experience for the current year in March to determine what increase in health insurance premiums will be needed for next year. Actual premiums for 2008-2009 will be announced on the EHA web site, [www.educatorshealthalliance.org](http://www.educatorshealthalliance.org). “*Inside the EHA*,” the newsletter for EHA (a new item this year) is also available on that web site.

Premiums for pre-65 retirees who are insured with EHA are now

13% higher for single coverage and 14% lower for family coverage than for active employees with the same deductible. As part of the implementation of the 4-tier premium structure, rates for the \$550 deductible retiree plan will be set at 105% of the rate for the \$550 deductible plan for active employees. Since retiree family coverage is currently less expensive than for active employees, the increase in family rates will be phased in over three years. Family rates will move to 92% of the active rate the first year, 98% of the active rate the second year, and 105% of the active rate the third year. Consult “*Inside the EHA*,” the EHA newsletter, at the EHA web site for further details.

—By Roger Rea, NSEA-Retired Board member

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## EHA generic prescription drugs will be ‘free’ January 1 – March 31, 2008

NSEA-Retired members who participate in the Educators Health Alliance (EHA) Blue Cross insurance plan (prior to age 65) will have a unique opportunity for the first three months of 2008. Your co-payment will be waived for any prescription filled with a generic brand during that time period. For you, that’s three months of “free drugs!” If your spouse or children are covered under the retiree coverage, their generic prescriptions will be “free,” too. The “free generics program” does not extend to individuals who are on Medicare Part D, since that is not part of the EHA plan.

The procedure for obtaining free generics is simple. If you are already taking a generic prescription drug, when you get a refill at a participating Rx Nebraska pharmacy or the PrimeMail mail service program during the covered period, your copay amount will be waived at the cash register. If you are taking a brand-name drug, consult with your doctor to see if a generic drug is available and appropriate for you; if so, have your doctor write a new prescription for the generic. You can get a “free trial” of the generic to see how the generic drug works for you. If the generic works, continue to take it after March 31 and you’ll continue to save, because both your co-pay and the total cost for generic drugs is lower than for brand-name drugs.

Why is Blue Cross providing this “free generic” program? Simple. Generic drugs cost less than brand-name drugs. Blue Cross is promoting generic drugs in all group plans for the first quarter of 2008. The insurance plan will save money if more members switch to generic drugs, and the savings will be reflected in lower premium increases in the future. As an illustration of the cost savings, Lipitor and Zocor (used to control cholesterol) cost about \$100 for a 30-day supply; Simvastatin (the generic equivalent of Zocor) costs \$15. If a generic drug works for you, continued use of the generic will save both you and the health plan money.

More information about this program (as well as which brand name drugs have generic equivalents) can be found at the Blue Cross web site, [www.genericsfromtheblues.com](http://www.genericsfromtheblues.com). If you would like general information about generic drugs, go to the Food and Drug Administration website, [www.fda.gov](http://www.fda.gov).

—By Roger Rea, EHA Board member

## Pension taxation causes members to retire elsewhere

Nebraska has more than 18,000 retired educators (about 3,000 are retired from the Omaha School Employees' Retirement System, and 15,000 from the Nebraska School Employees Retirement System). Collectively, they receive \$29.1 million per month in benefit payments. While 90% of the pension money stays in Nebraska, 10% of the money goes to other states.

When Nebraskans retire and move to another state, where do they move? A recent analysis of the pension payments shows that they move to states which provide some relief from state taxation of pension or social security income (or both). The chart below shows states with the nine largest monthly payments for Nebraska school employee pensions:

| State       | Pension Total | State           | Pension total | State       | Pension total |
|-------------|---------------|-----------------|---------------|-------------|---------------|
| 1. Nebraska | \$26,100,000  | 4. Colorado     | \$250,000     | 7. Missouri | \$210,000     |
| 2. Iowa     | \$476,000     | 5. South Dakota | \$222,000     | 8. Florida  | \$175,000     |
| 3. Arizona  | \$354,000     | 6. Texas        | \$211,000     | 9. Kansas   | \$132,000     |

The states which receive the largest amount of Nebraska pension income all provide some form of relief from state income tax for either Social Security income or public pension income. South Dakota, Texas, and Florida have no state income tax. Of the 43 states that have a state income tax, 39 exempt some or all of Social Security income from state taxation, and three follow the federal exemption rules. Nebraska is the only state in the union that taxes all of Social Security income, and is in the minority of states which do not provide for some relief from state taxes for public pension income.

If the Legislature is looking to provide incentives to keep Nebraskans "at home" during retirement, it seems prudent to consider joining the majority of states and provide some tax relief for its senior citizens. A bill will be introduced in the Legislature this year to do just that.

—By Roger Rea, NSEA-Retired Board member

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Last July Missouri DID just that with legislation that cuts state income taxes on 220,000 Missourians who receive Social Security benefits or pensions from work as teachers, police, firefighters or federal employees.

Missouri Governor Matt Blunt said the legislation would eliminate an injustice in the tax code. "Social Security was created to help people avoid poverty. It was not created to be a revenue source for Missouri state government."

The new law phases in the tax cut over six years. Recipients of Social Security retirement and disability income and many government pensions will be able to deduct 20 percent of such payments from their Missouri taxable income this year. Next year the deduction rises to 35 percent and 50 percent in 2009. From 2010 to 2012 the deduction increases in steps until it reaches 100 percent.

—By John Jensen, NSEA-Retired Treasurer

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## New Hospital Discharge Rules for Older Patients

A law that went into effect this past summer requires hospitals to better ensure that Medicare beneficiaries know their rights before being discharged, and outlines how to object when a patient or family member feels release is medically premature.

The old law's guidelines mandated that a document informing Medicare beneficiaries of their rights be provided within two days of a patient's admission – times often preoccupied by the immediacy and stress of tests, procedures, and results.

Now, the notification, an "Important Message from Medicare," features a clearer explanation of patients' rights, and will be provided to families both after arrival and before departure. Hospital staff delivering the information must be able to answer questions about the policy, and for the first time, patients or their legal representatives must sign the paper. If a discharge is contested, hospitals have until noon the next day to provide detailed explanations of why a patient is ready for release and how to continue an appeal.

—By John Jensen, NSEA-Retired Treasurer

## Is your Medical Power of Attorney HIPAA compliant?

The American Health Insurance Portability and Accountability Act of 1996, commonly known as HIPAA (often misspelled HIPPA) brought many changes to the ways that health care providers interact with patients. Although the federal law was passed in 1996, most of the deadlines for compliance became effective in the past two years. The privacy rule deadline was April 14, 2006. The HIPAA rules help ensure that all medical records, medical billing, and patient accounts meet certain standards regarding documentation, handling, and privacy.

HIPAA requires that all patients be able to access their own medical records, correct errors or omissions, and be informed about how personal information will be shared or used. Most patients be-

came aware of the new standards in 2003, when doctors had patients sign new documents regarding to whom their medical information could be disclosed. There is a lot of paperwork that has to be signed when you begin services from a new provider, telling them with whom you wish to have your medical information shared.

One of the consequences of this new privacy standard is that your Medical Durable Power of Attorney may need to be redrafted. A Medical Durable Power of Attorney is an estate document that tells hospitals and doctors who can make medical decisions on your behalf. Older Medical Durable Power of Attorney documents typically ran about two pages in length, and gave someone you named the authority to determine

when to terminate life support and make other decisions about health care on your behalf. HIPAA compliant Medical Durable Power of Attorney documents often run six pages or more in length. If you have a Medical Durable Power of Attorney as part of your estate plan that has not been redrafted in the past two years to make it HIPAA compliant, then it is likely that your wishes regarding what you would like to happen when you are seriously or terminally ill will not be followed. Consult with your legal advisors to determine whether or not your trust documents are HIPAA compliant. Failure to do so may mean that what you want to happen during serious or terminal illness will not happen.

— By Roger Rea,  
NSEA-Retired Board member

## *Intergenerational Mentoring*



Carol Joy Holling Conference Center in Ashland on October 6-7 was location for the Fifth Intergenerational Mentoring class. To date nearly 50 intergenerational teams have been part of the NSEA-Retired Intergenerational Mentoring Project. This year's retirees came from the Panhandle, Tri-Valley, Elkhorn, Capital and Metro Districts. Participating students came from the College of St. Mary, Nebraska Wesleyan University, and the University of Nebraska at Kearney. NEA Consultant Gene Grooms once again led the training in various relationship building skills. Trish Guinan, NSEA Member Rights director, presented a session entitled 'Pitfalls

& Potholes' dealing with teacher rights and job security issues. Other sessions included 'How to Prepare for an Interview' by Pat Schafer and 'What is a Negotiated Master Agreement & Salary Schedule' by Tom Tonack. The entire group of mentors and students will meet in the spring for a year-end celebration. The success of this mentoring program in Nebraska continues to be the relationship that develops between the individual mentor and his/her student. The Nebraska Intergenerational Mentoring Program continues to be one of NEA's most recognized mentoring programs.

NSEA-Retired with continued grant assistance from NEA-Retired will be doing another statewide mentoring group next fall. For NSEA retirees interested in participating in next fall's mentoring class, contact Maureen Nickels at NSEA by email at [maureen.nickels@nsea.org](mailto:maureen.nickels@nsea.org) or call her 1.800.742.0047.



# The NSEA-Retired Quilt Raffle

Take a chance on owning this beautiful, hand-made queen-size quilt. Valued at more than \$500, the quilt pattern is called "Rob Peter to Pay Paul." Lorene Behrends, former member of the NSEA-Retired Board and Past President of Lincoln Education Association-Retired, made her quilt expressly to raise money for the NSEA Children's Fund.

The Fund provides money to assist students in need. NSEA members can tap into the NSEA Children's Fund to buy glasses, coats, mittens and other necessities for students in need.

Please consider entering the drawing for this great cause! Go to <http://www.nsea.org/members/retired> to download tickets for the drawing that will be held July 15, 2008.

The NSEA Children's Fund is a 501C(3) charitable fund and all contributions to the fund are tax deductible.

Ticket costs: \$1 each or 6 tickets for \$5.



**Send your filled-out tickets and money to  
Maureen Nickels, NSEA, 605 S. 14<sup>th</sup> St. Suite 200  
Lincoln, NE 68508**



Mailing Address Label

# NSEA-RETIRED

# ADVOCATE

May 2008  
Volume 3: Issue 3

## Unfinished Business: The Commitment Continues.

Affordable retiree health care remains the single greatest barrier to school employees as they consider their retirement options. One of our common goals has been providing options for school employees as they near retirement. The uncertainty of rapidly increasing health care premiums for retirees, in the years prior to age 65, makes decisions around retirement most difficult. NSEA-Retired continues to seek affordable health care options for those of retirement age. Affordable health care for all Americans is a growing national issue and those of us who are retired and those considering retirement must participate in that national debate.

Nebraska remains one of the few states in the nation that taxes all pension and social security income. All or part of retiree income is exempt in most states. Increasing numbers of Nebraska's retirees are choosing to relocate to states where their tax burden is not as confiscatory as here in the "Good Life" state. Millions of dollars of Nebraska pension income leaves the state each year. NSEA-Retired supported legislation this past session to provide common sense relief to the tax burden faced by Nebraska retirees.



Joe Higgins,  
President

### NSEA-Retired Officers:

**Joe Higgins**, President  
402-339-5164  
nebrjoeomaha@yahoo.com  
**Irene Burnside**, Vice President  
ireneb59@aol.com  
**Ruby Davis**, Secretary  
rddelta@msn.com  
**John Jensen**, Treasurer  
jensen.omaha@gmail.com

### District Directors:

**Pat Etherton**, Capitol  
pether@alltel.net  
**Tom Black**, Elkhorn  
wpc6296@cableone.net  
**Roger Rea**, Metro  
rurea@aaahawk.com  
**Jim McDermott**, Panhandle  
jpmcdermo@hotmail.com  
**John Kruse**, Sandhills  
jkruse@inebraska.com  
**Jan Barnason**, Tri-Valley  
jbarnason@alltel.net

While our bill was not successful this session, we will be back next year with legislation to exempt all or part of pension and Social Security income from Nebraska income taxes. NSEA-Retired members will be called upon to help convince their state senators of the economic importance of keeping those retiree dollars in Nebraska and the local community economy.

Attacks on the Nebraska school employee "defined benefit" pension system continue. NSEA-Retired members remember the pitiful condition of the pension system in our state when we began our classroom-teaching career. The Nebraska School Employees Pension System has come a long way over the past 30 years. We will not stand by and see that system destroyed by those who would move to a defined contribution system or those who would seek to raid the current pension fund for some social investment scheme.

Privatization of Social Security continues as the mantra of those who would do away with the 70 year old Social Security system that has provided a safety net for the elderly. We continue to oppose those privatization plans that are designed to divert social security contributions into the hands of private investors at the peril of retirees. NSEA-Retired members are committed to common sense Social Security reforms that will protect the trust fund and guarantee benefits into the future.

Our motto, 'Now More Than Ever – The Commitment Continues' is more than a simple marketing phrase. It is an imperative. As you can plainly see, there is much 'unfinished business' that needs our attention. Your participation, your voice, and your continued commitment is absolutely necessary if our common dream of living "The Good Life" here in Nebraska is to be realized. Thanks for all you do. Keep up the good fight.

Tom Black  
Newsletter Editor



# Health Insurance After You Retire

Maintaining your health insurance after retirement is an important component to providing economic security during your retirement. A group health insurance policy gives you access to both a large network of participating providers and to lower group costs for insurance. When you retire, if you have been a member of the Educators Health Alliance (EHA), the Blue Cross plan that insures most of the school employees in Nebraska, you can keep EHA coverage as a retiree until you turn 65. On your 65<sup>th</sup> birthday, you will need to sign up for Medicare, and consider purchasing a Medicare Supplemental Policy as well as Medicare Prescription Drug Coverage.

## Pre-65 retiree coverage

If you have been covered by EHA Blue Cross health insurance for at least five years prior to your retirement, and the District in which you worked maintains EHA coverage for active employees, you are eligible to purchase retiree coverage through EHA until you reach age 65. If you are married and your spouse is insured through EHA, your spouse is eligible for EHA retiree coverage too. Retirees who are married have the option of selecting two single policies when they retire, or they may choose any one of the four coverage options [*employee only, employee and spouse, employee and children, employee and spouse and children*]. Current premiums for EHA retiree coverage can be found on the EHA web site, [www.educatorshhealthalliance.org](http://www.educatorshhealthalliance.org). There are three simple steps to obtaining retiree coverage through EHA prior to age 65.

**First:** Blue Cross will mail you a

packet of materials relating to post-retirement health insurance about 30 days before the end of your contract year in the year you retire. Your regular EHA coverage will last through the end of the contract year (August 31), so you don't need to worry about securing retiree coverage until your regular coverage expires. Your school district will let Blue Cross know that you are retiring from their employment, so this mailing will automatically come from Blue Cross – you don't need to do anything special to receive it. You will receive several sets of forms in the mailing, some relating to NSEA members, some relating to NCSA members, and some relating to NASB members. Sort through the forms and pull out only those that relate to NSEA members. Unless you are 63.5 years old when you retire, you will want to select **EHA Retiree Coverage**. EHA Retiree Coverage will last until you turn 65. The alternative is COBRA coverage, which will last 18 months, after which you will need to find health insurance through a different carrier. The third option will be to leave EHA coverage completely and find insurance on your own. If you don't return the forms on time, Blue Cross will assume that you are leaving the EHA plan and will not contact you further.

**Second:** If you select EHA Retiree Coverage, you will need to become a Special Services Member of NSEA to maintain EHA Retiree Coverage. Return the completed forms to NSEA, along with your NSEA Special Services membership fee, prior to August 31. The amount of your NSEA Special Services fee will depend upon your NSEA membership status at the time you retire, and may include dues for NSEA-Retired and NEA-

Retired if you are not already a lifetime member of those organizations. The amount of the NSEA Special Services fee will be detailed on the forms you receive.

**Third:** Your insurance membership card for EHA Retiree Coverage will be mailed to you within 90 days of completing and returning the forms to NSEA. EHA Retiree Coverage includes a \$550 deductible amount. If you had a lower deductible amount as an active employee, you will need to satisfy the balance of the deductible before the EHA Retiree Coverage will begin to make co-payments on your claims. If you need to see a physician or obtain other medical services before your new insurance card arrives from Blue Cross, you can continue to use your current EHA insurance card until the new card arrives. The retiree benefits are the same as those for an active employee – the only difference may be the deductible amount.

## Medicare Coverage

If you have already reached your 65<sup>th</sup> birthday when you retire, you will want to sign up for Medicare, to become effective September 1 of the year you retire. If you are not yet 65 when you retire, then you will sign up for Medicare when you actually turn 65. There is a seven-month window to sign up for Medicare, starting three months before your 65<sup>th</sup> birthday month, including your birthday month, and ending three months after your birthday month. Medicare suggests that you sign up 1-3 months before you turn 65 to be sure that you do not miss out on important Medicare coverage. Medicare coverage begins the 1<sup>st</sup> of the month during which you turn 65, if you enroll on-time.

(See **After You Retire** on Page 3)

## After You Retire

(Continued from page 2)

If you are receiving Social Security retirement payments or Social Security disability payments prior to turning 65, Medicare will automatically send you enrollment forms for Medicare. There are several “parts” to Medicare that you can choose. **Medicare Part A** covers inpatient hospital, inpatient skilled nursing, home health care, and hospice care. There is no premium for Medicare Part A coverage if you paid into Social Security while you worked. **Medicare Part B** covers doctor services, durable medical equipment, home health care, X-ray and lab services, and out-patient services. Medicare Part B is optional, and has a premium. Unless you have coverage from a different source, it is in your best interests to sign up for Medicare Part B – the premium can be paid by deduction from your Social Security check if you wish. Medicare Parts A and B provide basic coverage through “traditional Medicare,” but there are deductible and co-payments for which you are responsible. You can purchase a **Medicare Supplement** to pay for the deductible and co-payments. Information regarding Medicare supplements is contained in step 2 below. **Medicare Part D** provides prescription drug coverage. There are three easy steps to move from EHA Retiree Coverage to Medicare at age 65.

**First:** Sign up for Medicare about 1-3 months before you turn 65. If you receive the automatic enroll-

ment information (because you are receiving Social Security payments prior to age 65), return the forms to select Medicare Part A and Medicare Part B. If you will not get the automatic enrollment information, you can get enrollment information on the Medicare web site, [www.medicare.gov](http://www.medicare.gov), or call Medicare at 1-800-MEDICARE (1-800-633-4227). Social Security may be able to help with signing up for Medicare Part B. You can reach Social Security at 1-800-772-1213.

**Second:** About 4-6 weeks before you turn 65, you will receive a mailing from Blue Cross regarding **NSEA-Retired BlueSenior Classic**. NSEA-Retired BlueSenior Classic is a Medicare Supplement underwritten by Blue Cross of Nebraska which is endorsed by NSEA-Retired. Additional information about NSEA-Retired BlueSenior Classic can be obtained by calling Blue Cross at 402-390-1820 or 1-800-642-6004 – be sure to specify that you want information about **NSEA-Retired BlueSenior Classic** when you call. NSEA-Retired BlueSenior classic will pay your deductible and co-payment amounts while you are on Medicare. You will be given the option to enroll in our dental coverage when you make your initial enrollment in NSEA-Retired BlueSenior Classic. The dental coverage is identical to the dental coverage provided by EHA for PPO Dental Parts A, B, and C that you had as both an active employee and as a retiree prior to age 65. If you decline the dental coverage when you begin your initial enrollment, you will not

be allowed to enroll in the dental coverage at a later time. NSEA-Retired recommends that you enroll in the dental coverage when you sign up for the Medicare Supplement. You can sign up for your Medicare supplement during a six-month period, starting when you are age 65 or older and are covered by Medicare Part B. If you sign up for the Medicare supplement during this “window,” there are no waiting periods for preexisting conditions. After this window of eligibility ends, no insurance company is required to sell you a Medicare supplement. NSEA-Retired recommends that you sign up for your Medicare supplement when you receive the enrollment information for NSEA-Retired BlueSenior Classic. Current premiums for NSEA-Retired BlueSenior Classic can be found on the NSEA-Retired web page, [www.nsea.org/members/retired](http://www.nsea.org/members/retired).

**Third:** When you sign up for Medicare and your Medicare supplement, you should also sign up for Medicare Part D, the prescription drug coverage. NSEA-Retired does not endorse any provider for Medicare Part D, and suggests that members consult the Medicare web site, [www.medicare.gov](http://www.medicare.gov), to find a provider that will cover the drugs that you actually use.

Additional information and help with enrollment in Medicare can be obtained by calling the Nebraska Senior Health Insurance Information Program, SHIIP, at 1-800-234-7119.

—By Roger Rea, NSEA-Retired Board

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## Correction

When the Educators Health Alliance (EHA) Blue Cross plans adopted a 4-tier rate structure in September 2008, premiums for retirees under the age of 65 and still insured with EHA will be 110% of the rate for active employees. Family rates for retirees will be phased in at 92%, 101%, and 110% of the rates for active members over the next three years. In the February *Advocate*, the retiree rate was incorrectly reported as 105% of the rate for active employees. Further information on the 4-tier rate structure as well as insurance rates for next year can be found on the EHA web [www.educatorshealthalliance.org](http://www.educatorshealthalliance.org).

## SEAN/NSEA-Retired Scholarships

NSEA-Retired funds four \$750 scholarships for members of SEAN (the Student Education Association of Nebraska.) The awards are presented at the SEAN Delegate Assembly each spring. Applicants are selected by a Committee of three SEAN members and two Retired members. NSEA-Retired Vice President Irene Burnside presented the Scholarships to (left-right) Wendy Micklin, Hastings College; Amanda Bugbee, UNK; and Andrea Saar, College of St. Mary. Hein Nguyen, the fourth recipient is not pictured.



### NSEA-Retired Intergeneration Mentoring Program

The Intergenerational Mentoring Program, sponsored by NSEA-Retired, is very successful. The first Intergenerational Mentoring group began in 2004 with students from the University of Nebraska at Omaha, College of St. Mary and Midland Lutheran College. At this time, there are five Intergenerational Mentoring groups of students and retirees working throughout the state. NSEA-Retired has gained national recognition for this successful program. It provides a valuable service to public education. NSEA-Retired will start a new Intergenerational Mentoring group this fall. Current participants recommend the program as an exciting, fun, rewarding experience to both students and retirees. They hope you will be interested and will contact Maureen Nickels 1-800-742-0047 or [maureen.nickels@nsea.org](mailto:maureen.nickels@nsea.org) for an application to join the next group.

—by Ruby Davis, NSEA-Retired Secretary

### File a Federal tax return this year (It's Not too Late!)

If you had a gross income of at least \$3,000 in 2007, you are eligible to receive an economic stimu-

lus check ranging from \$300 to \$600. But you must file a 2007 federal tax return on IRS Form 1040 or 1040A (short form) to receive the check. Even if you are not required to file a federal tax return this year, doing so is the only way to get your economic stimulus check.

Those who qualify for a stimulus check will receive one by the end of 2008, as long as they file a 2007 federal tax return by **October 15, 2008**.

Nationwide, millions of Americans rely primarily on Social Security income and are not required to file a federal tax return. This includes thousands of Nebraskans who are not required to file a federal tax return. Make sure you file yourself and be sure to tell your friends and neighbors about filing a tax return in order to get the stimulus rebate.

—By John Jensen, NSEA-Retired Treasurer

### Medicare Advantage Increases Medical Costs for Everyone on Medicare

In recent testimony to the House Ways and Means Health Subcommittee hearing, Rick Foster, the chief actuary for the Centers for Medicare & Medicaid Services, told the subcommittee members that subsidies paid to private insur-

ance companies for offering Medicare Advantage plans are a serious drain on Medicare's financing. These overpayments to private insurance companies have, according to Mr. Foster, shortened the solvency of the Medicare Trust Fund by about 18 months and have increased Medicare Part B premiums by \$3 per month. According to the Congressional Budget Office, these overpayments will total \$150 billion over the next 10 years!

When he was asked if Medicare Advantage ever costs less than traditional Medicare, Mr. Foster responded, "No, not under current law." Medicare Advantage was touted as reining in healthcare costs under Medicare when the law creating the subsidies passed in 2003. Market "competition" was supposed to be the silver bullet to control medical costs. Instead, the vast majority of the subsidies went to advertising, administration, sales commissions and company profits.

Here in Nebraska, the insurance company Humana ran many full-page ads to lure Medicare beneficiaries in traditional Medicare into their Medicare Advantage plans. The only thing guaranteed with the subsidies paid to Humana is increased profits – profits paid for by Medicare beneficiaries and by taxpayers.

—By John Jensen, NSEA-Retired Treasurer



## NSEA-Retired Lobby Day—February 12

NSEA and NSEA-Retired introduced four bills of interest to retired teachers and their active colleagues. Obviously, the NSEA Family must increase its lobbying pressure next year

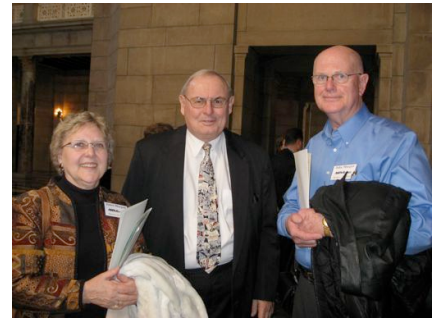
**LB968** (Passed) clarified that the changes made in the Service Annuity in 1996 will only affect school employees who were hired after 1996. (See page 7 of this *Advocate* for full details.)

**LB711** (Died in Committee) would remove a one-year deadline for applying for disability benefits and permit

to be made anytime prior to the date of normal retirement.

**LB1140** (Killed in Committee.) would offer full exemption of social security and school pension incomes from being taxed by the state after a 5-year phase in.

**LB1110** (Placed on General File, set for Interim Study as LR294.) would increase teachers' salaries and slow the outflow of career teachers and teacher education graduates who are leaving for surrounding states where the financial climate is much better.



Janet and John Morgan with NSEA lobbyist, Herb Schimek, (center) in the Capitol Rotunda.

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## SAC Air & Space Museum Reception, April 14 NSEA-Retired Spring Confer-

At the SAC reception, Clayton Anderson presented a fascinating overview of his space adventures including pictures from space of Omaha and Lincoln that included Memorial Stadium and the Henry Doorly Zoo.

After an invigorating address by NEA Vice President Dennis Van Roekel, 120 members enjoyed several sessions on wills, serving the needs of elderly, travel opportunities, antique appraisal, consumer traps, BCBS Pre-65 Health and post-65 Medicare and Supplemental Insurances.

In the Business Meeting, attendees learned NSEA-Retired has grown from 2,892 members in August 2003 to 5,102 in March 2008. During that span, Pre-Retired membership has increased from 205 to 1,130.

Conference participants approved all revisions to the NSEA-Retired Bylaws. Those are available for access by all members on the NSEA-Retired Web Site.



Clay Anderson giving autographs for attendees at the SAC/NSEA-Retired Reception.



Presidents current and future (left to right): Joe Higgins, NSEA-Retired president; Roger Rea, NSEA-Retired resident elect; Jess Wolf, NSEA president; Dennis Van Roekel, NEA vice president and unopposed candidate for NEA President.



Clay Anderson (left), Nebraska's Astronaut, and Roger Rea, one of two Nebraska finalists in the 1986 Teacher in Space Program.

## EHA clarifies requirements for retiree coverage

Educators Health Alliance (EHA) provides health insurance for active and retired educators through Blue Cross of Nebraska. From now until September 30, 2008, there is a period of "open enrollment" in EHA. That means that anyone who works for a school district may enroll in EHA coverage, even if that employee had declined EHA coverage in the past. Details on open enrollment, as well as the 4-tier rate structure that will be in effect starting September 1, 2008, can be found on the EHA web site, [www.educatorshhealthalliance.org](http://www.educatorshhealthalliance.org). One reason current active employees might want to join EHA during this open enrollment window is to be able to get access to EHA retiree coverage when they retire. To be eligible for EHA retiree coverage, active members must have been

insured by EHA for five continuous years prior to retirement.

For school districts that are not currently insured with EHA, if the district joins the EHA plan on September 1, 2008, any retirees from that district can join the EHA retiree coverage immediately, even if they were insured by a different carrier when they retired. However, active employees in those school districts will need to be insured by EHA for five continuous years prior to retirement. If a member is near retirement age and has not been insured by EHA for 60 months prior to the actual retirement date, then EHA will count coverage with another insurance carrier prior to being insured with EHA to meet the 60-month requirement for eligibility for retiree coverage.

Current active teachers who work for a district that is insured with EHA, but who have elected not to purchase EHA coverage, can join EHA during the open enrollment window if they do so by September 30, 2008. If the member has been insured with a different carrier prior to joining the EHA plan, the number of months of continuous coverage with the previous carrier will be added to the time the member is insured with EHA to meet the 60-month continuous-coverage requirement for retiree coverage. All NSEA-Retired members are encouraged to join EHA during the open enrollment this fall to assure that they will be eligible for retiree coverage when they decide to retire from the workforce

—By Roger Rea, NSEA-Retired Board

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## The NEA-Retired East Regional Conference



The Williamsburg Seven (left to right:) Roger Rea, Tom Black, Jim McDermott, Jan Barnason, Pat Ether-ton, John Jensen, and Joe Higgins.

Seven members of the NSEA-Retired Board of Directors attended the annual NEA-Retired Conference in early April. To serve the Nebraska retired better, they attended several sessions on the national health care reform debate, strategies and motivation to live a healthier lifestyle, consumer traps to avoid, enhance leadership skills, how to choose a continuing care retirement community, and the role retirees can play in the 2008 election campaign.

Lily Eskelsen, NEA Secretary Treasurer, gave a usual "Wow" speech on "World Domination through Taxes, Economic Development, and school Funding."

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## NSEA Delegate Assembly, April 25-26

The delegates approved the NSEA-Retired dues increase April 26. Effective September 1, 2008, the Pre-retired Life and Life Membership Dues increase \$50 to \$200 while the Annual Dues will increase \$10 to \$25.

**SAVE \$50 NSEA ACTIVE MEMBERS AND RETIRED COLLEAGUES WHO ARE NOT YET MEMBERS OF NSEA-RETIRED OR NEA-RETIRED; JOIN NOW**

**As of September 1, 2008:**

**NEA-Retired Pre-Retired Life and Life Membership \$200**

**NSEA-Retired Pre-Retired Life and Life Membership \$200--total \$400**

**Annual NEA-Retired Membership \$25**

**Annual NSEA-Retired Membership \$25--total \$50**

For Membership Applications or additional information, contact Maureen Nickels at [maureen.nickels@nsea.org](mailto:maureen.nickels@nsea.org) or 1-800-742-0047.



## Legislature clarifies rules for Service Annuity

The State Service Annuity is a little-known benefit that all retired school employees in Nebraska receive. The Service Annuity is paid by general tax revenues from the State, not from contributions from either members or school districts. All school employees receive the Service Annuity: for members of the State School Employees Retirement System, the Service Annuity helps fund their formula benefit; for members of the Omaha School Employees' Retirement System, the Service Annuity is paid in addition to the formula benefit. The Service Annuity has been part of the school retirement systems since 1945. Currently it pays retirees \$3.50 per month for each year of Nebraska teaching service.

Until 1996 the law specified that the Service Annuity would be paid without actuarial reduction because of age for members who retire with 35 or more years of service credit and for those who retire by reason of disability. In 1996 the law was changed to provide that the Service Annuity would be reduced for all members retiring prior to age 65, regardless of whether or not they had 35 years of service credit or retired

by reason of disability. One key question left unanswered was whether the changes applied to members who retired after the 1996 changes, or only to members who were hired after the 1996 changes.

In 1997-98, the Nebraska Public Employee Retirement System (which administers payments for the Service Annuity for all school employees – both those in Omaha and elsewhere in the state) began to pay the Service Annuity on a reduced basis for all retirees. After questions arose about the reduced annuity, at the March 1999 meeting of the Public Employee Retirement Board (PERB), the Board affirmed that payment of unreduced benefits for members hired prior to the amendment of 1996 was the correct application of contract law, and paid the full benefit to any retiree with 35 or more years of service credit as well as anyone who retired because of disability.

At the January 23, 2008 meeting of PERB, the Board reversed its 1999 decision and refused to provide unreduced Service Annuity benefits to members hired before July 19, 1996 (the effective date of the changes made in 1996) who retired with either 35 years of service credit or by reason of disability. As a result, 146 retired members in Omaha received notice in February 2008 that benefits that had been paid since they retired

would be reduced in March 2008, to accommodate the decision PERB made in January 2008.

While the amount of the Service Annuity is small, it is real money to retirees. Further, it is income they earned and upon which they counted when they retired, and income that they have come to rely upon during their retirement. The actuarial reduction can be as high as 61% for members who retired at age 55 with Rule of 85. For a 35-year employee, that means that instead of getting \$122.50 per month, they will receive only \$47.78 per month. The reduction in this illustration amounts to more than \$890 per year.

LB968 was introduced by Senator Tom White to clarify that the changes made to the Service Annuity in 1996 would only apply to individuals who were hired after July 19, 1996 (the effective date of the changes). The bill was heard by the Legislative Retirement Committee on February 6, 2008, and was amended into LB1147, the Retirement Committee priority bill, on April 10. The bill was passed by the full Legislature and is now law. This is an important clarification – it confirms that changes made in retirement benefits will apply only to those individuals who were hired after the effective date of the changes.

—By Roger Rea, NSEA-Retired

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### NSEA-Retired Election Results, March 2008

Of the 3,846 ballots mailed to NSEA-Retired members (Pre-retired members are not eligible,) 35% returned their ballots. Those voting elected Roger Rea, current Metro District Director on the NSEA-Retired Board, as President and Jim McDermott, current Sandhills District Director, as Vice President for 2008-2011 terms. Also elected to three-year terms were District Directors: Pat Etherton, Capitol; Tom Black, Elkhorn; and Joyce Huggans, Sandhills. Etherton and Black were re-elected to second terms; Huggans was elected to a first term.

Fourteen members were elected to the April 25-26 NSEA Delegate Assembly in the following proportions: Capitol-3, Elkhorn-1, Metro-5, Panhandle-1, Sandhills-1, and Tri-Valley-2, one was elected At-Large.

Tom Black, Roger Rea, and John Jensen were elected to attend the NEA-Retired Annual Meeting and the NEA Representative Assembly in Washington, DC. President Joe Higgins, by virtue of his office, is a delegate to both the NSEA DA and the NEA-Retired and NEA meetings

## **Notice of Board vacancies and request for nominations**

The recent election of NSEA-Retired Board members Roger Rea and Jim McDermott as president and vice president, respectively, create vacancies on the Board for the Metro District Director and the Panhandle District Director effective September 1, 2008. NSEA-Retired Bylaws indicate that Board vacancies are to be filled by appointment by the Board of Directors for the remainder of the affected term. Both the Metro District Director replacement and the Panhandle District replacement will be for two Association years 2008-09 and 2009-10. NSEA-Retired members who live in either Metro or Panhandle Districts who wish to be considered for these positions should send a **letter of interest** and a **current resume** to NSEA-Retired President Joe Higgins: jbhomaha@yahoo.com OR Joe Higgins, 5067 S. 107 Street, Omaha, NE 68127 by **Tuesday, July 1, 2008**. For additional information e-mail Joe or call him at (402) 339-5164.

The NSEA-Retired Executive Committee will review the nominations and make their recommendations to the full board for appointment in August 2008. The replacements will be officially seated at the September meeting of the NSEA-Retired Board of Directors.



Mailing Address Label