

NSEA-RETIRED

ADVOCATE

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NSEA-Retired Officers:

Roger Rea, President
rrea68154@yahoo.com

Jim McDermott,
Vice President
jpmcdermo@hotmail.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

Walta Sue Dodd, Metro
WSDodd@aol.com

Arlene McFall, Metro
asmcfall@yahoo.com

Kent Harvey, Panhandle
kharvey@wncc.net

Joyce Huggans, Sandhills
Huggans@nctc.net

Jan Barnason, Tri-Valley
jbarnason@windstream.net

Tom Black
Newsletter Editor

Health-care reform – the time has come!

Laws making major improvements in the way we live are passed by Congress about every 30 to 40 years. Prior to 1900, children were a cheap and convenient source of labor. Instead of going to school, children were put to work in factories under less-than-ideal working conditions and at very low pay. The National Consumer League was formed about 1900 to address the child labor situation. In 1904, the National Child Labor Committee was successful in achieving passage of the first laws that protected children from exploitation in the labor market.



Roger Rea
President

Retirement security was almost non-existent in the early part of the 1900s. During the Great Depression many laws were passed to improve the lives of workers, including the landmark legislation that established Social Security in 1935. Interestingly, the law is known as the “Federal Insurance Contribution Act,” or FICA. It provided the first guarantee of retirement income security and today remains the bedrock of retirement security for most Americans.

The elderly were “on their own” to get medical care until the Medicare Act was passed in the 1960s. While Harry Truman had pushed for a national health insurance plan as early as 1945, political pressure had not built up sufficiently to get any meaningful legislation passed until Lyndon Johnson pushed the Medicare Act through Congress in 1965. There was discussion at that time that prescription medication should be included in Medicare, but no bill that covered prescription drugs was passed until 2003 during the administration of George W. Bush. Medicare Part D, the prescription drug coverage, added a benefit that was part of the original plan for Medicare. As all retirees know, covering prescription medications adequately is still a work in progress.

A national health care reform effort began during the administration of Bill Clinton in the 1990s. That reform effort was quickly derailed for a variety of reasons. But the need to have health-care reform is still with us. Why do we need this reform? The reason is simple: America cannot afford to continue paying the costs for medical care at the current rate of medical inflation. Under the current system, Americans pay more for health care than people in any other industrialized nation and receive what amounts to inferior care.

Consider just the cost of insurance. I started my teaching career in 1966 with Omaha Public Schools. OPS formed a group health insurance policy that year, and charged monthly premiums of \$10 for a single policy and \$25 for a family policy. In 1966 my salary was \$5150. The annual premium of \$120 was about 2% of my salary. The deductible then was \$100, which also represented about 2% of my salary. In 2009, the annual premium for the \$600 deductible policy for active teachers will be about \$5,700, the average beginning teacher in Nebraska now makes about \$29,000. (See **President**, page 2)

(President)

While the deductible amount has increased by a factor of six (from \$100 to \$600), that still represents about 2% of a beginning teacher's salary. But the premium for the health insurance policy has increased by 4,750%! The \$5,700 premium now represents about 20% of the beginning teacher salary – a ten-fold jump in relative cost!

There are about 45 million uninsured Americans. Reliable sources estimate that every American pays about \$1,800 more for medical care annually (either through increased insurance premiums or inflated hospital and doctor charges) than we would

need to if all Americans had insurance. Americans spend about \$2.2 trillion on health care each year. It is estimated that 30% of that spending is for redundant care (ordering both an X-ray and an MRI, for example) or for wasteful testing or procedures. The problem is that doctors and hospitals are paid based on how much they do, not on the results of their care. In short, it is more advantageous to the medical community to do more tests that may not improve your health than it is to do the right tests that will help you get well quickly. That is part of the reform movement right now – to get away from the fee-for-service model of the current health care system in order to improve the quality

of care while reducing the cost.

The debate on health care reform has heated up since the Congressional recess in August, and I expect that the heat will continue long after any reform bills are passed. But the time is right and ripe for health care reform. We have not had major legislation to improve the "quality of life" in our country since 1965. To paraphrase Victor Hugo, "More powerful than the march of mighty armies is an idea whose time has come." I encourage you to become informed about the health care reform bills that develop, and to support the principle of ensuring that all Americans have access to better quality care at an affordable cost.

SPRING 2010 NSEA-RETIRED ELECTIONS ANNOUNCED

“Go where the action is!”

John F Kennedy, when asked why he was running for President of the United States, said, "Because that's where the action is." NSEA-Retired members who want to "be where the action is," who want to have a leadership role and a commanding voice in the direction of their Association will have several opportunities to run for one or more offices in the Association next spring.

Nomination forms will be included in the January 2010 *NSEA Voice* for election to one of three types of leadership positions: (a) NSEA-Retired Board of Directors; (b) delegates to NSEA Delegate Assembly in April; and (c) delegates to NEA Representative Assembly in June/July. You may nominate yourself by filling out the appropriate nomination form(s) and mailing them back to NSEA.

Elections for the NSEA-Retired Board of Directors are for three-year-terms. This year the positions of Secretary and Treasurer will be elected. Current NSEA-Retired Secretary Ruby Davis is completing her first term in office, and is eligible for re-election. Current NSEA-Retired Treasurer John Jensen is completing his second term of office, and is not eligible for re-election. Three NSEA-Retired District Directors will also be elected in the spring. Sandhills District Director Joyce Huggans is completing her first term in office and is eligible for re-election, as is Tri Valley District Director Jan Barnason. A change in Metro District boundaries will be effective next spring, so the Metro District Director position currently held by Arlene McFall will be an open seat. A second Metro District Director position was added to the Board last spring. Walta Sue Dodd, who won that election, will serve for two more years before that position will again be up for election.

Election to both NSEA Delegate Assembly and NEA Representative Assembly is for a one-year term. NSEA-Retired Bylaws stipulate that the NSEA-Retired President will be the first delegate to each of those assemblies. Last year NSEA-Retired elected 14 delegates to NSEA Delegate Assembly and four delegates to NEA Representative Assembly from among the six NSEA-Retired Districts. The number of delegates to both assemblies depends on membership totals in the fall. The January issue of the *NSEA Voice* will give complete instructions for filing deadlines and the number of potential delegates for these two elections.

Any NSEA-Retired member who is interested in becoming more involved in a leadership role in the Association should consider running for one (or more) of the several elections that will be held in spring 2010. Watch for full details in the January 2010 *NSEA Voice*. The ballots will be mailed the end of February 2010 and the deadline for returning them is March 12. Ballots will be counted the week of March 22, 2010.

Healthcare Reform and NSEA-Retired Members

The past few months have seen a wild ride in the health care reform circus. While there has been thoughtful debate, the media seems to concentrate on a bunch of angry people trying to out shout each other at town halls held by Congressmen. There has been an avalanche of television ads. Half the ads contradict the other half.

When I learned that my Congressman, Lee Terry, was going to hold a “coffee” on the topic of healthcare reform in a café not too far from where I live, I knew I had to go!

I wondered how in the world Mr. Terry thought the café would be large enough? But then, it was pouring rain; so perhaps, I thought, not too many would show up. Would our citizens here in Nebraska be respectful of each other’s views or would we, too, succumb to trying to yell each other down.

I arrived a half hour early and was one of the last to actually get in the café. Latecomers had to stand outside under a thankfully wide eave. It was standing room only inside and Mr. Terry showed up on time at 8:30 a.m., shook some hands and asked for quiet. We obeyed. At this point, Mr. Terry stated that he has never had more than 10 people show up for one of his coffees held at the café and acted surprised with the turnout. I was not amused. At least 100 more citizens were outside of the café. There were at least two television stations with crews there.

Here is what I learned: Nebraskans are fairly respectful of each other. They are reasonably polite. • They are passionate and opinionated about how they would reform healthcare. • Their opinions are sometimes based upon facts, sometimes based upon a misreading of facts and sometimes based upon seeing, reading or hearing people or groups who purposely twist the truth. • I learned that no one appeared to change his or her mind that rainy morning. • Finally, I learned that we were not there that morning to change the minds of others in the café; rather we were props in an act that would appear on the news that evening.

Here are the top five falsehoods being spread to our seniors.

Falsehood: The proposed reform will destroy Medicare, leaving seniors with inadequate health coverage—or no coverage at all!

In fact, the reform proposal aims to strengthen Medicare, making its services easier to access, and ensuring its solvency for future generations.

Falsehood: The plan ignores the special health needs of older Americans in favor of the young, the healthy, and the wealthy.

In fact, the reform proposal for waiving deductibles and co-payments for Medicare-covered preventive health care services; simplifying the application process for financial relief for low-income seniors; and securing deep discounts for the eight million seniors caught in the Medicare Part D “donut hole”.

Falsehood: Seniors will be forced to leave their current doctors, and will face long waits when scheduling with new care providers.

In fact, the reform proposal would preserve every person’s right to choose health care providers, while ensuring that doctors are reimbursed fairly for quality care.

Falsehood: Long-term health care costs will soar; stranding seniors when they need medical care the most.

In fact, the reform proposal has an affordable long-term care system (the CLASS Act) that would be available to seniors and disabled people for the first time ever.

Falsehood: The plan promotes the euthanasia of seniors; the Obama administration supports death panels!

In fact, this is an outright lie.

As of the writing of this article, the final bill has not been written. When it is, I hope it will finally give all Americans access to an array of quality and affordable health care plans where one there are no pre-existing conditions that would deny coverage, where one cannot be dropped for being too sick and where health care costs are brought under control.

America cannot afford not to pass such reform.

John Jensen,
NSEA-Retired Treasurer

2009-2010 SEAN/NSEA-RETIRE SCHOLARSHIPS

NSEA-Retired annually funds four \$750 scholarships. The scholarships are awarded to the four most qualified of the applications received, based on both financial need and the essay question answers, as determined by the SEAN/NSEA-Retired Selection Committee. Applications must be postmarked by February 1, 2010.

Applicants shall be juniors or seniors who will student teach during the next academic year and who have been SEAN members for at least two years, including the current year. Scholarships shall be effective for the student teaching semester.

Three letters of recommendation shall accompany the completed application form: one from a faculty or staff member of the college or university the applicant attends, one from an officer of the campus SEA chapter, and the third recommendation from the chapter advisor. **Application forms will be available at www.nsea.org/members/sean.**

Please send completed applications and all supporting materials to Tamra Mick, NSEA, 605 South 14 St, Lincoln NE 68508, Jim McDermott, NSEA-Retired Vice President

EHA announces changes for 2009-10

A reminder to retirees under the age of 65: your deductible amount will be increased by \$50 (from \$550 to \$600 for individual coverage) effective September 1, 2009. If you have already met the current \$550 deductible by August 31, then you will need to satisfy an additional \$50 in deductible starting September 1 before the insurance plan will share costs on an 80/20 basis.

Other changes for 2009-2010 include:

- Preventive care coverage will be increased to a maximum of \$500 for routine care, and will be subject to the deductible and coinsurance except for mammograms, pap smears, PSA tests and rou-

tine immunizations (which will be first-dollar coverage).

- Out-of-network coverage will be subject to a \$1200 deductible, and co-insurance will be 40% (i.e. you will be responsible for 40% of the out-of-network provider bill after meeting the higher deductible amount).
- Co-insurance maximum out-of-pocket expenses will be \$2,000 for individual and \$4,000 for family coverage.
- Prescription drug co-pays will be \$30 (minimum) to \$60 (maximum) per 30-day supply for formulary drugs, and non-formulary drug co-pays will be \$60 (minimum) to \$90 (maximum) per 30-day supply. There

is no change in the generic or specialty pharmacy drug co-pay.

Starting September 1, 2009, the monthly rates for retiree coverage (including single dental) will be: retiree only = \$521.31; retiree & children = \$907.82; retiree & spouse = \$1,071.52; retiree, spouse & children = \$1,248.86. If you have more than single dental coverage, your premiums will be higher to reflect the additional coverage. Complete details on the changes in the EHA plans, including rates for all tiers and all levels of dental coverage, can be found on the EHA web site, www.ehaplan.org

Roger Rea,
EHA Board Member

New DVD highlights NSEA-Retired

A new DVD that highlights the programs and activities of NSEA-Retired has just been released. Production of the DVD was made possible by grants received from NEA-Retired. The DVD has been used to promote membership in NSEA-Retired at the annual August NSEA membership meetings this year, and will be made available to local associations for use in their areas to promote membership in NSEA-Retired.

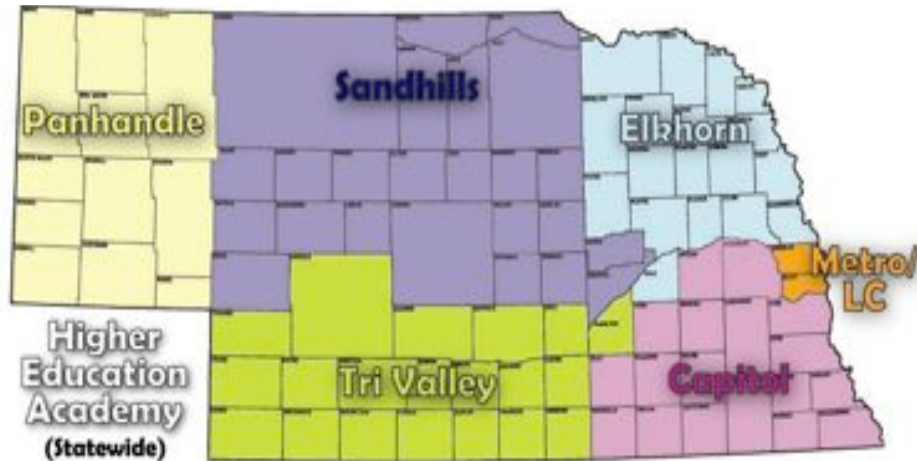
The seven-minute DVD highlights NSEA-Retired involvement in informing our members about issues related to retirement, which include:

- changes in Medicare and selecting an appropriate Medicare supplement;
- promoting retirement planning for active teachers to help them better understand the benefits they will receive from the School Employees Retirement System;
- working with beginning teachers through our Intergenerational Mentoring Program;
- providing liability insurance for retired teachers who wish to substitute on a part-time basis through membership in NEA-Retired;
- hosting mini-conferences for our members each year;
- lobbying activities that give background information to our State Senators as well as testifying on bills relating to retirement and education issues.

The DVD will be made available to all local associations in the state through their UniServ Directors as well as their local leaders. NSEA-Retired members who come to the Greater Nebraska Conference in October will get a "sneak peek" at the new video.

Roger Rea,
NSEA-Retired President

NSEA-Retired District boundaries to change



The boundaries for NSEA Districts were changed last spring to reflect the new “Learning Community” for Douglas and Sarpy counties as a single District. Metro District was reduced to these two counties, and other counties that had been part of Metro District were transferred to either Elkhorn or Capitol Districts. NSEA-Retired will adopt the new NSEA District boundaries for their elections next spring. NSEA-Retired members are assigned to Districts based on where they currently live, not

where they formerly taught.

The “new” Metro District now includes just those living in Douglas and Sarpy counties. If you live in Dodge, Burt, or Washington counties, you will now be in Elkhorn District. If you live in Cass county, you will now be in Capitol District. All of the NSEA Districts (Panhandle, Sandhills, Tri Valley, Elkhorn, Capitol, and Metro) have had minor changes in the counties that make up each District. A map of the Districts is printed here for your reference. The map can also

be found on the NSEA web site, www.nsea.org. Candidates for NSEA-Retired spring elections should file in the District where they live. Ballots will be sent to all members living in each District for District elections. Ballots for state-wide offices will be sent to all members in the state. Members who live outside the state of Nebraska will receive ballots for all state-wide elections.

Roger Rea,
NSEA-Retired President

At the NEA-Retired Annual Meeting in San Diego, California, Barbara Matteson, NEA-Retired President presents the 2009 Runner-up NEA Retired Spotlight Journalism Award: NSEA-Retired Corner to Editor Tom Black.



National Awards received for NSEA-Retired publications

- 1999 Best State Active Newsletter for Coverage of Retired Issues: NSEA Voice (Coverage of Retired Issues)
- 2002 First Place NEA-Retired Spotlight Journalism Award: NSEA-Retired Corner in the NSEA Voice
- 2000, 2003, 2004, 2005, 2008 Runner Up NEA-Retired Spotlight Journalism Award: NSEA-Retired Corner in the NSEA Voice
- 2006, 2008 First Place Beginning State Retired Newsletter: NSEA-Retired Newsletter, NSEA-Retired Advocate
- 2007 Runner-up Beginning State Retired Newsletter: NSEA-Retired Newsletter, NSEA-Retired Advocate

All NEA Award plaques are hanging in the NSEA Headquarters Building.

Medicare information seminars to be held in November

Medicare is used by retired school employees over the age of 65. In addition to Medicare itself, most retirees choose to purchase a supplement to pay for the things that Medicare does not pay for, including prescription medication (covered by Medicare Part D).

NSEA-Retired has teamed with Blue Cross of Nebraska to host Medicare information seminars across the state for many years. At the time this article went to press, the exact schedule for the seminars for this year was still being determined. The tentative schedule shows seminars being held during the week of November 16 – 20. The seminars will help individuals who are about to become eligible for Medicare make the transition to Medicare, and to assist those who are currently on Medicare understand any changes for 2010. A demonstration of how to use the Internet to select an appropriate provider for prescription drugs (Medicare Part D) will be part of the seminar. NSEA-Retired members who are over the age of 62 will receive a letter later this fall giving the dates, locations, and times for the seminars.

Three Medicare information

seminars are being planned for Norfolk, Omaha, and Lincoln. The seminar that is held in Lincoln will also be simulcast across the state to various locations so that members who do not live close to a live seminar can receive the information closer to where they live. The simulcast sites will be listed in the letter you receive and will likely be held at a public library in the site city. You will need to travel to the simulcast location nearest you to take advantage of the information.

The seminars have three objectives: (a) to help members understand Medicare benefits and the process for making the transition to Medicare; (b) to answer members' questions about Medicare supplemental insurance products and help members understand Medicare Part D, the prescription drug benefit; and (c) to promote enrollment in NSEA-Retired BlueSenior Classic, a Medicare supplemental policy that is endorsed by NSEA-Retired and provided to retired school employees by Blue Cross of Nebraska.

NSEA-Retired members are urged to use caution when selecting a Medicare supplement. Enrollment in a Medicare supplement that is not

endorsed by NSEA-Retired may limit your future choices about selecting a Medicare supplement that is endorsed by NSEA-Retired. NSEA-Retired BlueSenior Classic has dental coverage that is identical to the dental coverage that is available to active employees insured under the Educators Health Alliance (EHA) Blue Cross products. If you decline the dental coverage when you make your initial enrollment, you cannot change your mind and purchase the dental coverage at a later date. And if you select a Medicare supplement that is not endorsed by NSEA-Retired, you will be subject to medical underwriting if you later decide that you want to enroll in NSEA-Retired BlueSenior Classic.

Watch the mail for additional information regarding the dates, locations, and times for these seminars. Information will also be posted on the NSEA-Retired web page, www.nsea.org/members/retired when it becomes available. Mark your calendar now to reserve some time during the third week in November to become better informed about Medicare benefits and the changes that will be effective for Medicare in 2010.

Roger Rea,
NSEA-Retired President



Each year NEA presents prestigious awards to those who engage in human and civil rights activities that have community-wide impact. Proudly, winners from the small state of Nebraska have taken the stage seven times since 1992.

Mad Dads—Martin Luther King, Jr., Award, 1992

Jim Kubik—H. Council Trenholm Award, 1994

Brett Johnson—SuAnne Big Crow Award, 2001

D. Moritz—Virginia Uribe Award, 2002

Ben Gray—Carter G. Woodson Award, 2004

Omaha Pride Players—SuAnne Big Crow Award, 2006

Vida Sue Stabler—Leo Reano Award—2009. Vida Sue Stabler is a teacher with a passion about saving and revitalizing the culture and language of her people, the Umonhon (Omaha.) Vida believes that nothing is more important to the Umonhon children's success in the wider world than to learn their own culture and language. The learning begins with the classroom, the huthuga, or tribal circle. She, and the tribal elders who help, spend each day in the huthuga, teaching the students from kindergarten through 12th grade the words and ways of their people. She knows the gains will be lost unless more adults learn and use the language. She is encouraging "active listeners," mostly middle-age people who grew up with parents who spoke Umonhon and understand the language, to learn how to speak it. When not teaching, she works on curriculum materials, including a textbook of the Umonhon language and culture, for Umonhon language learners and bilingual readers; she completed revisions of an expanded Umonhon dictionary and a cookbook of Umonhon recipes, written entirely in the Umonhon language.

Greater Nebraska Fall Conference

Tentative Agenda

Keynote Speaker:

Dr. Richard O'Brien, "Health Care in America: Are We on the Right Path?"

Special "Spotlight on Nebraska"

Joe Starita is the author of, "*I Am A Man – Chief Standing Bear's Journey for Justice.*" The book tells the story of Chief Standing Bear and his 500-mile walk back to Nebraska to return his son's remains to the soil of their native Nebraska homeland along the Niobrara River. The legal battle that ensued resulted in a landmark legal decision that an Indian "is a person" within the meaning of the law and entitled to some of the same Constitutional protections as white citizens. Sarita will sign books that are purchased at the conference.

Breakout Sectionals: EHA Blue Cross and Medicare supplemental insurance programs; birding; digital cameras; quilting; living wills and trusts; using Ebay; wine tasting; and "trash or treasure" – your chance to bring an antique or family treasure to be appraised by Tom Bassett.

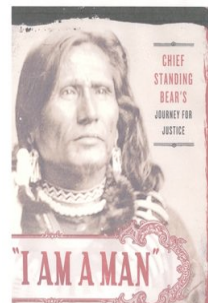
No charge for NSEA-Retired members. Spouses and guests are welcome with a \$10 registration fee to cover the cost of lunch (you may pay at the door).

Tuesday OCTOBER 6, 2009
Nebraska Nature and Visitors' Center
Interstate I-80, Exit 305
9325 South Alda Road
Wood River, NE 68883

Register on-line today at
www.nsea.org/members/retired
Or call Rebecca Smith at 1-800-742-0047
Email questions to rebecca.smith@nsea.org
Registration deadline is October 2
Updated agenda available on-line



Joe Starita, the author, and the cover of his book, *I AM A MAN*



Nebraska Outreach to Teach—SEAN

For the third year, SEAN, with contributions from members of the NSEA-Retired and other organizations, will hold its Outreach to Teach activity in the Omaha area on Saturday October 10, 2009. NSEA-Retired members in the area are most welcome to participate in the one-day renovation of an area school building.

In time, details of when and where and how can be found on www.nsea.org/members/sean

Intergenerational Mentoring: Mentors Needed

Now More Than Ever The Commitment Continues!



Hastings College
Sept. 30: 1:00 pm—6:30 pm
and
Oct. 1: 8:00 am—1:00 pm



2008 Class of NSEA-Retired Mentors



Nebraska Wesleyan, Lincoln
Oct 1: 4:00 pm—9:00 pm
and
Oct. 2: 8:00 am—1:00 pm

NSEA-Retired is kicking off its seventh year of IG Mentoring at two different campus sites. Please consider being a part of this program that is funded by NSEA, NSEA-Retired, and NEA-Retired. An NSEA-Retired member is paired up with an NSEA SEAN member. Your expertise and wisdom as a former classroom teacher will make a difference for our next generation. Your commitment is a 1.5 day workshop at one of the sites. Housing and meal expenses are covered. Sign up TODAY on-line at www.nsea.org/members or contact Maureen Nickels at 1-800-742-0047 or maureen.nickels@nsea.org.

“The Experience of Age; the Exuberance of Youth”

NSEA-RETIRE
Nebraska State Education Association-Retired • 605 S. 14th St. Suite 200
Lincoln, NE 68508 • (800) 742-0047 • www.nsea.org

Mailing Address Label

NSEA-Retired Officers:

Roger Rea, President
rrea68154@yahoo.com

Jim McDermott,
Vice President
jpmcdermo@hotmail.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

Walta Sue Dodd, Metro
WSDodd@aol.com

Arlene McFall, Metro
asmcfall@yahoo.com

Kent Harvey, Panhandle
kharvey@wncc.net

Joyce Huggans Sandhills
Huggans@nctc.net

Jan Barnason, Tri-Valley
jbarnason@windstream.

Tom Black
Newsletter Editor

President's Message—Roger Rea

The “Pension Factor” – the “hidden value” of defined benefit pensions



The obvious use of a retirement pension is to pay the everyday expenses a retiree incurs. Those expenses include food, shelter and medical care. Many retirees, especially those with a defined benefit pension plan, have enough money left over (after meeting the necessary expenses for food, shelter and medical care) to be able to enjoy life a bit with travel, gifts for relatives and occasional special treats such as theater or movie tickets and meals at an upscale restaurant. Unfortunately, many retirees do not have enough income to live comfortably. Most retirees in this latter category do not receive income from a defined benefit retirement plan.

School employees in Nebraska who are members of one of the school employees' retirement systems in the state (either the Nebraska School Employees' Retirement System or the Omaha School Employees' Retirement System) receive a defined benefit pension. “Defined benefit pension” means that you will receive a guaranteed benefit payment when you retire, payable for your entire life, which cannot be reduced. Most married retirees name their spouse as a joint annuitant when they retire, meaning that their spouse will also receive a guaranteed income for life. That guaranteed retirement income has a major, and very positive impact on the expenses of the State during retirement.

The National Institute on Retirement Security, NIRS, a research group based in Washington, D.C., recently released their latest research report, which focused on the role of a defined benefit pension in reducing elder hardships. The report analyzed survey data from the US Census Bureau, which tracked 10,259 heads of households who were over age 60 for periods of three years to determine how their incomes changed over time and to determine the prevalence of poverty, hardship, and the need for public assistance among the elderly. Three sets of survey data were reviewed: data from 1996, 2003, and 2006. Each Census Bureau survey tracks retirees for three years, so the 2006 survey would have tracked retirees through 2008. The conclusions in the NIRS report clearly indicate that a defined benefit pension keeps our senior citizens out of poverty and contributes to lower overall expenses for state-sponsored programs for the elderly. Some examples:

1. More than half of all retirees over the age of 60 either have a defined benefit pension from their own employment or are the beneficiary of a defined benefit pension through their spouse's employment. This number includes retirees from both public and private defined benefit retirement plans.
2. Poverty was six times more prevalent among those households that did not have a defined benefit pension than for those households that did. Poverty was defined as having a household income below 200 percent of the “federal poverty level.” Federal poverty level for 2009 is an annual income less than \$10,830 for one person, \$14,570 for two people.

(See **President**, page 2)

(President, from page 1)

3. NIRS calculates that defined benefit pensions contributed to having 1.72 million fewer households classified as being poor (household income below 100 percent of federal poverty level), and 2.97 million additional fewer households classified as being “near poor” (household income below 200 percent of federal poverty level).
4. NIRS calculates that in 2006 alone, governmental agencies

would have paid \$7.3 billion more in public assistance for the elderly if it were not for defined benefit pensions.

Defined benefit pensions provide a clear safety net for retirees who participate in them. Defined benefit pensions provide a middle-class standard of living in retirement for both the retiree and their spouse. The reduced level of poverty for participants of defined benefit pension plans is dubbed, “The Pension Factor,” by NIRS. The

Pension Factor has a very positive impact on society as a whole.

Defined benefit pensions provide income for retirees, a stimulus to the economy of local communities as well as the state, and account for significant reductions in public expenditures to support the elderly poor. They provide excellent and dependable economic benefits for both the retiree and the state. I count myself lucky to have a defined benefit pension, and so should all of Nebraska.

Spring elections for NSEA-Retired coming up

NSEA-Retired members will elect a Secretary; Treasurer; and District Directors for Panhandle, Tri Valley, and Metro Learning Community Districts this March. Delegates to NSEA Delegate Assembly, to be held April 16 & 17 in Lincoln, and NEA Representative Assembly, to be held July 1-6 in New Orleans, will also be elected. Nomination forms for these elections were printed in the January 2010 issue of the *NSEA Voice*. The deadline for nomination forms to be returned is Monday, February 8, 2010.

The number of delegates elected to both NSEA Delegate Assembly and NEA Representative Assembly will be determined by the final membership counts in January. Based on preliminary membership counts, NSEA-Retired will have fifteen delegates to NSEA Delegate Assembly. The NSEA-Retired President is an automatic delegate as provided by NSEA Bylaws. The remaining fourteen delegates will be elected as follows: Metro = 4 delegates; Capitol = 3 delegates; Elkhorn = 2 delegates; Tri Valley = 2 delegates; Panhandle = 1 delegate; Sandhills = 1 delegate; At-large = 1 delegate.

NSEA-Retired will have five delegates to NEA Representative Assembly. The NSEA-Retired President is an automatic delegate as provided by NSEA Bylaws. The remaining four delegates will be elected as follows: Metro District = 1 delegate; the combined membership of Capitol, Elkhorn, Panhandle, Sandhills, and Tri Valley = 1 delegate; At-large = 2 delegates.

Individuals who wish to be candidates for any of these elections should complete the nomination forms found on pp. 16 and 22 of the January 2010 issue of the *NSEA Voice* and return them by February 8, 2010. Names of individuals who file for election will be posted on the NSEA-Retired web page, www.nsea.org/members/retired, as they are received. Candidates for NSEA Delegate Assembly or NEA Representative Assembly may file for election by district, at-large, or both. Candidates filing for Secretary; Treasurer; one of the District Director positions; or delegate to NEA Representative Assembly are asked to submit a biography of no more than 50 words. The collected biographies will be mailed to NSEA-Retired members along with the ballots in early March. Biographies should be emailed to Rebecca Smith at Rebecca.smith@nsea.org, if possible. If you have questions, please call Rebecca at 1.800.742.0047.

Social Security payments are still available at age 62

NSEA-Retired members who continue to work after retirement may decide to receive Social Security payments when they first qualify for benefits at age 62, or they may defer receiving their Social Security payments until they qualify for unreduced benefits at age 66 or 67. You can work and receive Social Security checks at the same time, but there is a penalty if you earn too much. In 2009, workers below their full retirement age can earn up to \$14,160 without penalty. After that, 50 cents of each dollar earned is deducted from your benefit payments. Wages, bonuses, commissions, and vacation pay all count toward the income caps. Pensions, annuities, investment income, interest, and government or military retirement benefits do not apply to the earnings limit.

During the year in which you reach your full retirement age, working while claiming Social Security benefits becomes a better deal. Between January of that year and the beginning of the month in which your birthday falls, the earnings limit increases to \$37,680. Above that amount, 33 cents of each dollar earned is deducted from your Social Security payment.

(See **Social Security**, page 7)

INTERGENERATIONAL MENTORING: 2009-2010



In 2003 NSEA-Retired was one of the original five NEA-Retired Affiliates invited to develop an activity that matched retired teachers with university and college teacher education students in a mentoring program. Starting in 2004 NSEA-Retired created a mentoring program that is now nationally recognized as one of the best anywhere.

This year the NSEA-Retired Intergenerational Mentoring “classes” involved a group of seven mentors and eight Nebraska Wesleyan students and a group fourteen mentors and twenty-two Hastings College students.

As always Gene Grooms, Training Consultant, worked the participants through several activities to establish best matches. Arlyn and Kathie Urmacher led the students through an exercise for them to learn more about their values, passions, and strengths as future teachers. Trish Guinan, NSEA Member Rights specialist, advised the students on the legal do’s and don’t’s of being teachers.

NSEA-Retired always needs more retired volunteers to keep this invaluable program going. If interested in joining next year’s 2011 class, call Rebecca Smith 1-800-742-0047

The Intergenerational Mentoring mentor-student matches for Nebraska Wesleyan (in no special order:) Tom Black-Jenny Kaser; Sharon Nore-Megan Beckstead; Jan Stamper-Alli Thompson; Arlene McFall-Sara White; Arlyn Urmacher-Nichole Schroder and Ross Janovec; Kathie Urmacher-Shaina McBride; Jim McDermott-Anessa Weers; and Gene Grooms.



The Intergenerational Mentoring mentor-student matches for Hastings College (in no special order:) Kathy Nichols-Minta Gregory; Jim McDermott-Anne Behmer and Clint Shipman; Mary Jo Heishman-Brittany Martindale; Andrea Brown-Tonia Todd and Kenzie Cowsky; Jan Barnason-Britney Jensen; Linda Dahlstrom-Erica Rumbleck and Casey Friesen; Laverna Epp-Cori McKinney and Leslie Dean; Judi Crick-Keshae Friesen and Nikki Husmann; Florence Crandell-Jackie Carpenter; Christy Hewitt-Jared Thompson and Whitney King; Jeanne Lock-Tessa McDaniel and Kirsten Kreutz; Jan Hubbard-Heather Noziska and Amanda Wiseman; Harriett Reinsch-Cindy Cummins; Nancy Breault-Jenny Clark and Amber Brader; and Gene Grooms..

OUTREACH TO TEACH—KELLOM SCHOOL, OMAHA

Student Education Association of Nebraska (SEAN)

On a dark, freezing snow-covered October day, a large bunch of college students and a little bunch of retired teachers participated in SEAN's third Outreach to Teach activity at Kellom Elementary, Omaha, Nebraska.

Each year SEAN selects a school in need of some tender loving care. With the financial assistance of the NEA, NSEA, NSEA-Retired, several District and Local Affiliates and commercial in-kind donations and the school's staff and students' selection of tasks, the work begins. This year the two main tasks were to construct an outdoor nature center and to cover several walls with colorful blue and gold murals.



Resting on the Snow Bed



Plant/landscape forms for the Nature Center



Taking a "mulch" break



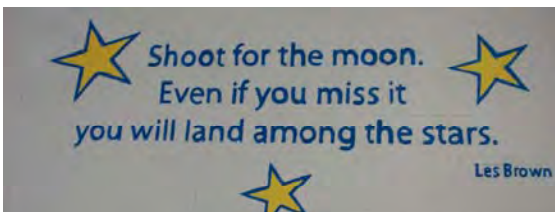
Gary—the Carpenter



The SUN and the STARS of KELLOM



A Brrrrrrfect time for camaraderie



The Well-Traveled Pens—

You know those pens you get at every NSEA-Retired meeting you go to? Some are pretty fancy with post-it notes inside and some are sought after for their color. It seems I had collected several but I never knew how many until I was planning a trip to Egypt and was told it would be a good idea to take some for the children who like to do their school work with pens, and we could pass pens out on several opportunities.

I started going through every conference folder, desk drawer, and NSEA-Retired bag I have and easily found twenty to thirty pens! Little did I know that I could have used many more as give-a-ways and conversation starters!

I have traveled the last two summers with Jan Carper, a pre-retired subscriber who is a counselor at Hastings Senior High. In 2008 we took a wonderful trip to Italy and Greece that included an incredibly memorable cruise of the Aegean Sea. This will remain one of my favorite trips of all time. 2009 was to be a trip to Egypt and Jan Carper had promised me a ride on a camel! What a contrast this year's trip turned out to be!

First we are in a much poorer country but also we were a much smaller group. In 2008 we left with a group of 43 and this year we were a group of eight! Our tour group size swelled to 30 in Giza when a group from Pennsylvania joined us. Secondly, the heat in Egypt was to be a factor to take into consideration. Most of us suffered some type of illness from the heat at some point on this trip.

Highlights of our trip were the Great Pyramid, with the promised camel ride in the desert, a cruise on the Nile River and a trip to the Valley of the Kings, which include a visit to King Tut Ankh Amun's tomb. The tomb of King Tut, as he is better known, was memorable for me because as a child I had read of the discovery of King Tut's tomb and I had always wanted to get to view the

treasures that were found in his tomb. One of our last days in Cairo included an enlightening visit at the Egyptian Museum to do just that. We could have spent days viewing the jewelry, gilded chairs, beds, art work and personal items of King Tut and his Queen besides all the other items that are included in the Museum. From some of the younger, and apparently faster, members of our group I learned that I had missed the mummified snake and cow. Darn!

At the Sphinx I found my first opportunity to give away one of my pens to a young girl who was working with her father selling tourist items. She liked the pen but what she very seriously asked was for me to take her into my family! I had to decline because I already had a family. I asked why she wasn't in school and she told me it was too hot for school that day.

My next chance to pass out a pen came when I had to leave the Temple of Sobek and Horus at Kom Ombro because of the heat and I walked back to the boat alone. On the side of the path were natives sitting on blankets with various items laid out for sale. We were told by Heshem, our guide, not to make eye contact with sellers and we would not be harassed so much to buy from them. He also told us how to bargain for better prices and how to say no, like we meant it! In this case I found two little girls sitting on a blanket selling necklaces. There was no way I would tell them no which was probably why there were doing the selling. There were two older women sitting behind the girls near a building in the shade. I approached the girls thinking this would be a safer place to buy but also because I had

all those pens to give away and make more space in my luggage.

You should have seen the look on the little girls' faces when I offered them each a NSEA-Retired pen! Big smiles and then the gentle look at the older women. They did not reach out for the pen until they got the nod from mom! Then, with a soft voice, the older girl asked for one for her sister and indicated the little girl with mom. I was happy to give away three pens at once!

Outside of an incense store I found two young boys to give pens and found that the grown men who had walked out of the store to assist us on getting on our bus also wanted pens. They told me that our pens were so much better than any they could buy! When I could ask Heshem what they meant he told us that the pens they could get in Egypt skipped a lot and dried up very quickly so a pen from the U. S. visitors were highly sought.

I was out of my pens by the time we visited the Citadel and visited the mosque of Mohammed Ali, modernizer of modern Egypt, and who invited 470 of Egypt's former aristocrats to the Citadel for a feast and then had them slaughtered to ensure his own power was supreme.

The nine days in Egypt are now just a fond memory but I like it that I left something useful behind; even it was as small as a ball-point pen. I imagine that somewhere in Egypt a child is using a pen that says, "NSEA-Retired" and he or she gets an "A" on their homework.

—By Jan Barnason, NSEA-Retired Board Member



Jan Barnason, Jan Carper, and the NSEA-Retired Advocate in Egypt.

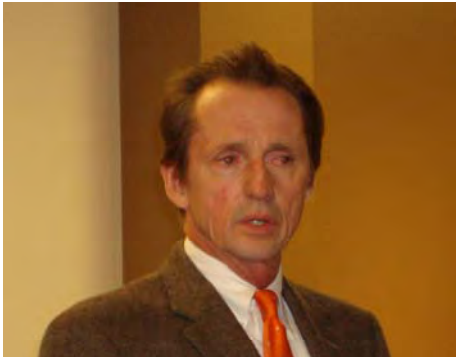
NSEA-Retired Greater Nebraska Fall Conference

October 6, 2009

Nebraska Nature Center—near Alda

An informative and entertaining day for a hundred retirees—great speakers on health care reform and Chief Standing Bear; challenging sessions on cooking, e-Bay, photography, Blue Cross Medicare insurance programs, the health of the NSEA-Retired Association, appetizing lunch and scrumptious deserts. Sorry you missed it!

But Wait; NSEA-Retired is hosting its ANNUAL MEETING & SPRING CONFERENCE (Read Page 8 of this issue for details.) One and all, please register for another unforgettable day!

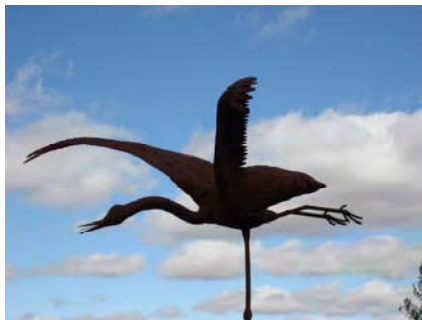


Featured speakers: Author Joe Starita and Dr. Richard O'Brien

Rapt audience



Cameras and e-Bay and Insurance and Cooking Sectionals



**NEBRASKA NATURE
AND VISITORS'
CENTER**



Medicare information posted on NSEA-Retired webpage

NSEA-Retired has sponsored comprehensive information seminars regarding changes in Medicare since 2005, when the prescription drug benefit, Medicare Part D, was added to Medicare. This year seminars were held in Omaha, Norfolk, and Lincoln and telecast to Kearney, McCook, and Scottsbluff. Almost 200 NSEA-Retired members and spouses attended the sessions this year.

Not all NSEA-Retired members who wanted access to the information were able to attend one of the sessions, so the handouts have been posted on the NSEA-Retired web page, www.nsea.org/members/retired. Scroll down towards the bottom of the page to find links to the handouts. Rates for NSEA-Retired BlueSenior Classic, the Medicare supplement that is underwritten by Blue Cross of Nebraska and endorsed by NSEA-Retired, for 2010 are also posted on the web page.

One of the handouts, "Health insurance after you retire," had a typographical error in the phone number our members should use to get information on the Medicare supplement from Blue Cross. The correct phone number is 402-458-4810. If you have questions about the coverage levels or enrollment information for NSEA-Retired BlueSenior Classic, use that phone number. A corrected copy of the handout is on the NSEA-Retired web page.

—By: Roger Rea, NSEA-Retired
President



NSEA Retired Lobby Day February 9, 2010

At the December, 2009 meeting, the NSEA Board of Directors adopted a single Legislative Goal: *NSEA will work to secure additional state funding for programs that will enhance Nebraska's ability to recruit and retain quality teachers, higher education faculty and education support professionals. These programs shall include legislation that will improve compensation, benefits and working conditions.* As was the case last year, this simple goal is backed up with a number of ideas for specific legislation that will work toward the goal of improving the lives of both active NSEA members and retirees.

NSEA-Retired has asked that a bill be introduced this year that would provide relief from state income tax for that part of your retirement income that comes from Social Security, the Retirement System, or other tax-qualified retirement account. The bill this year will provide for a flat dollar amount of pension income to be excluded from state income tax. The first \$20,000 of retirement income (whether from Social Security; public or military pension; tax-qualified retirement account; or a combination of all three) would be exempt from state income tax. To ensure a gradual change in state revenues, the exemption would not begin until 2011. Additionally, the amount would be phased in over four years, with no exemption in 2010. The exemption would be \$10,000 in 2011, \$15,000 in 2012, and \$20,000 in 2013 and thereafter.

Tuesday, February 9, 2010, will be the day that NSEA-Retired members from across the state gather in Lincoln to talk with Legislators about the importance of education and retirement

issues to the state.

The day will start with a training session to familiarize NSEA-Retired members with the bills that are under consideration by the Legislature this year. Registration and the training will take place in the **THIRD FLOOR** Conference Room of the newly-remodeled NSEA building, 605 S. 14th St, Lincoln.

The tentative agenda for NSEA-Retired Lobby Day is:

- 8:30 Registration and coffee
- 9:00 Issues awareness training
- 10:15 Observe Unicameral and visit with the Senators
- 12:00 Lunch and guest speaker in Governor's mansion, 1425 H St.
- 1:30 Committee hearings (optional)

There is no fee for members to attend Lobby Day. Non-members and guests are asked to pay \$10 to cover the costs of the program.

Please register for Lobby Day on-line at www.nsea.org/members/retired.

You can also register by calling Rebecca Smith at the NSEA, 1.800.742.0047. The deadline for registration and to attend the luncheon at the Governor's mansion is Friday, February 5. NSEA-Retired members who attend Lobby Day are asked to park on the east side of the Trinity Lutheran Church parking lot at 15th and H Streets, about three blocks from the Capitol. The church asks that you do NOT park in a space marked, "Reserved."

—By: Roger Rea, NSEA-Retired
President

(Social Security, from page 2)

Beginning with the month after you reach the age when Social Security benefits are no longer reduced (typically age 66 or 67), there are no limits on how much you can earn and still receive Social Security benefits without reduction. At that point you can collect your full Social Security payment regardless of how much you earn.

If you work after you retired and have your Social Security payments reduced as a result of "earning too much," when you reach full retirement age, your benefit amount will be recalculated to reflect your additional earnings. More information can be found on the Social Security web site, www.ssa.gov.

—By: Roger Rea, NSEA-Retired President

NSEA-Retired Annual Meeting & Spring Conference

April 14 & 15, 2010 Lincoln: Hillcrest Country Club

**Registration on-line beginning February 1st at www.nsea.org/retired/members
or call Rebecca Smith at 1.800.742.0047**

April 14 NSEA Building: 6:30 PM – 8:30 PM.

Wine Tasting Seminar by Reidel Wine Glass Company : Taste wines; learn which Reidel wine glass to use with different wines; receive a set of 4 Reidel Wine glasses just for attending. Appetizers provided. Seating is limited! Cost per person: TBA

April 15 Hillcrest Country Club: 8:30 AM - 3:00 PM

Dr. Richard O'Brien, Health Care Reform: "What Did We Get? Where Do We Go From Here?"

Joe Starita, 'I Am A Man...Chief Standing Bear's Journey for Justice' Book signing by Joe (books can be purchased on-site)



Dr. O'Brien

Breakout sessions *'tentatively'* include:

Cooking for Two

Digital Cameras

Social Networking: Facebook & Twitter

Trash to Treasure: Antique Appraising

EHA BCBS and Medicare Supplemental Programs

Wine Tasting

Living Wills and Trusts

Tracing your Family Roots.



Joe Starita

Continental Breakfast, Lunch & Dessert Social provided at no cost to members.

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NSEA-RETIRED

ADVOCATE

Check us out at
www.nsea.org/members/retired

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NSEA-Retired Officers:

Roger Rea, President
rra68154@yahoo.com

Jim McDermott,
Vice President
jpmcdermo@hotmail.com

Ruby Davis, Secretary
rddelta@msn.com

John Jensen, Treasurer
jensen.omaha@gmail.com

District Directors:

Pat Etherton, Capitol
pether@windstream.net

Tom Black, Elkhorn
wpc6296@cableone.net

Walta Sue Dodd, Metro
WSDodd@aol.com

Arlene McFall, Metro
asmcfall@yahoo.com

Kent Harvey, Panhandle
kh Harvey@wncc.net

Joyce Huggans, Sandhills
Huggans@nctc.net

Jan Barnason, Tri-Valley
jbarnason@windstream.net

Tom Black
Newsletter Editor

“I’m gonna change my way of thinking...”

During my time as a professional educator, I have had a number of different roles. I was an eager first-year teacher, wanting to please both my students and the administration. I was a competent, master teacher later in my career, wanting my students to accomplish much and looking for professional and personal fulfillment. I became a leader in my local association, wanting to strengthen and improve the fringe benefits for members in my association. As a local leader, I served on the negotiations team and worked on contract language that would ensure that our members had the best benefits that could be obtained through collective bargaining. In that role, I focused on how much money our members would have to spend out-of-pocket, and deliberately looked for ways to increase their take-home pay by taking advantage of the tax breaks that are afforded to fringe benefits.



Roger Rea

As an example of this kind of thinking, I was among those who urged that member contributions be paid into the retirement system on a pre-tax basis. We accomplished that in 1986 with passage of a state law that allowed for “IRS Section 414(h), employer-pick-up” of retirement contributions. Other labor groups envied what we accomplished in this area. In response, I helped get legislation passed that would provide the same benefit for their members. I worked hard to keep fringe benefits such as health insurance as an employer-paid benefit, to preserve the tax advantage for members. Every dollar spent on a pre-tax basis is worth about \$1.30 on a post-tax basis. I encouraged members to save money in their 403(b) investments on a pre-tax basis for the same reason. I was focused on the “bottom line” for member economic security: to put the most money into the paychecks of our members and have the least going to pay income tax.

That mind-set, once learned, is hard to change. But retirees have a different economic environment than do active members, and I have had to adjust my mind-set to consider the retired environment. The Bob Dylan song lyric, “*I’m gonna change my way of thinking, Make myself a different set of rules,*” describes what I have had to do since I retired. Let me explain.

Active employees have many opportunities to take advantage of
(See **THINKING**, page 2)

(**THINKING**, from page 1)

tax breaks that retirees do not enjoy. For example, active members have most (if not all) of the health insurance premiums paid by their employer on a pre-tax basis, while retirees must pay the entire cost of their health insurance on a post-tax basis. Active members can put aside money in a Plan 125 Flexible Spending Account to pay for the health insurance premiums that they pay themselves, as well as to pay the deductible amounts, co-insurance amounts, and other health-related out-of-pocket expenses – all on a pre-tax basis. Retirees cannot participate in Plan 125 Flexible Spending Accounts.

When I was negotiating for salaries and benefits, I wanted the lowest possible deductible for health insurance for our members. Our members did not pay health insurance premiums from their own salary, and got tax breaks for any out-of-pocket expenses, so the lowest deductible policy we could negotiate took the least amount of money from their already-meager paychecks. In short, I considered any high deductible plan as an economic disaster waiting to happen. How could a beginning teacher possibly pay \$1,500 out-of-pocket for health care before the health plan paid anything? It did not make economic sense to me.

Now that I am retired, I've had to adjust my way of thinking. Retirees pay the en-

tire premium for their health care themselves, with no tax breaks whatsoever. Until this year, there was only one retiree health care plan option – a \$600 deductible plan. Starting September 1, 2010, retirees will be able to choose from among the \$600 deductible plan; a \$1,500 deductible plan; or a \$2,850 deductible Health Savings Account (HSA) plan. Here's the economic reality. If you choose the \$600 deductible plan, you will pay \$970 more in premium than you would pay for either of the other two options. If you choose the \$1,500 deductible plan, you will pay \$900 more in deductible than you would for the \$600 deductible plan, but you will pay \$970 less in annual premium, a net savings of at least \$70. Further, that additional \$900 in deductible is not a guaranteed expense – you actually have to get sick to pay the deductible amount. Since retirees pay both the premiums AND the deductible, they are guaranteed to pay more for the \$600 deductible plan than they will for the \$1,500 deductible plan. It makes economic sense to consider switching to one of the two new options.

The Health Savings Account-eligible plan is even more attractive for those retirees who can put aside additional money (for the deductible amount and a little bit more) early in the year. Retirees under the age of 65 can set up their own HSA account and get tax breaks that have not been available to them since they retired. The HSA rules are a bit complex, and I encourage you to look further

into this kind of health plan before you decide to join it. For the HSA plan, you will pay the cost of the first \$2,850 in covered charges before the health plan pays anything – and that includes office visits and your prescription medication. You will get the Blue Cross discount on medical services, but there is no office visit copay – you pay the entire cost of the physician visit (which goes to your deductible). The same is true of prescription medication – you pay the entire discounted cost of all prescription medication (which goes to your deductible). When your total out-of-pocket cost has reached \$2,850 for medical care, medication, or a combination of the two, the health insurance plan pays for all of the rest of your covered charges for the remainder of the plan year. But you can pay that entire \$2,850 cost on a pre-tax basis! The HSA plan also features a \$500 benefit for routine care and preventative services that will pay for things such as flu shots and mammograms to help maintain your health without costing you any money out-of-pocket.

All of this is to say that you should not quickly dismiss the idea of a high deductible health plan as not being affordable. I had to “*change my way of thinking*” on this matter; you may need to do that, too. I encourage you to explore the new health care options more fully during the webinar and/or live seminar to be held July 14 and 15. EHA will send details on these two events to you before the event dates.

EHA rates set for 2010-2011

Educators Health Alliance (EHA) has set the 2010-2011 rates for the Blue Cross insurance policy covering almost all educators in Nebraska. EHA insurance covers retirees prior to their 65th birthday, when they qualify for Medicare. If you are under age 65 and are insured by EHA, your premiums will increase in September. Retirees on direct bill (those who have their health insurance premium deducted directly from their checking account) will have the new charges deducted from their checking account on September 15, 2010.

For 2010-2011, retirees will have the choice of three different insurance plans from which to choose: (a) a \$600 deductible plan; (b) a \$1,500 deductible plan; and (c) a \$2,850 deductible Health Savings Account (HSA) eligible plan. Details on how the three options differ can be found elsewhere in this issue of the *Advocate*. The monthly rates for all three plans available to retirees, including PPO dental coverage (80% A & B, 50% C coverage) for each of the four rate tiers, will be:

Tier	\$600 deductible	\$1,500 deductible	\$2,850 deductible HSA-eligible
Retiree only	\$539.76	\$458.87	\$458.87
Retiree & children	\$958.54	\$815.25	\$815.25
Retiree and spouse	\$1,133.46	\$936.60	\$936.60
Retiree, spouse and children	\$1,436.48	\$1,221.77	\$1,221.77

If you do not have full dental coverage for all of your family members, your rates will be slightly lower than shown in the table above. You should consult the EHA web site for full information,

www.ehaplan.org

—Roger Rea, NSEA-Retired President

Hastings and UN-K SEAN Chapters Outreach to Teach

Twenty-five SEAN members and four NSEA-Retired members spent an April day sprucing up the Prairie Loft Center, east of Hastings. Prairie Loft's mission is to teach agriculture appreciation to all, including school groups. The NSEA-Retired Board assisted in the funding of the project.



To the left: SEAN Outreach organizers Cassidy Pitkin, Hastings chapter president, and Heather Sullivan, UNK chapter president. Above: The crew taking a break. Below: Digging, framing, and painting.



EHA has two new options for retirees

. Educators Health Alliance (EHA) has added two new insurance options for pre-age-65 retirees to select from for next year. For the past several years, all retirees have been placed into a \$600 deductible plan. Starting September 1, 2010, retirees under the age of 65 may choose to continue with the \$600 deductible plan, or may choose to switch to a \$1,500 deductible plan or a \$2,850 deductible HSA-Eligible plan. A Health Savings Account (HSA) will allow retirees to put money aside on a tax-preferred basis to cover some of the cost of their health care. The premiums for the two new plans are approximately 15% lower than for the traditional \$600 deductible plan. The monthly premiums for retiree-only (including PPO dental) will be \$458.87 for either the \$1,500 deductible plan or for the \$2,850 deductible HSA plan.

It is easy to understand the difference between the \$600 deductible plan and the \$1,500 deductible plan. With the \$1,500 deductible plan, you are responsible for an additional \$900 of medical charges in exchange for a lower premium. In addition to a higher deductible amount, you will have higher out-of-pocket expenses with the \$1,500 deductible plan than you will with the \$600 deductible plan. Since the dental coverage is the same for both plans, perhaps the best comparison of the two plans is for the medical charges only. The annual premium (without dental) for the \$600 deductible plan is \$6,210.12; for the \$1,500 deductible plan, the annual premium is \$5,239.44. If you select the \$1,500 deductible plan, you will pay \$970.68 less per year in premiums for a plan that has a \$900 higher deductible amount.

The Health Savings Account and \$1,500 deductible plans have an identical monthly premium. With the HSA plan, you can set up a tax-preferred account to pay your deductible and other qualified charges (for example, charges for eye glasses or over-the-counter drugs). Premiums cannot be paid from the HSA account. Most large banks will help you set up a Health Savings Account. An HSA account is a tax-exempt member-owned account established to pay qualified medical expenses for the member. Monies that are not used in any given year will be carried forward, and can earn interest tax-free over the life of the plan. Unlike the flexible spending accounts that you experienced while you were working, there is no "use-it-or-lose-it" provision for an HSA. The money stays in the account until it is used; if you have money in your account when you turn 65, you can use the HSA account to pay for some medical expenses while you are on Medicare. In 2011, the contribution limit to an HSA is \$3,050; individuals between ages 55-64 can contribute an additional \$1,000 per year (\$4,050 total).

For retirees who consider the total cost of their medical insurance (premiums, out-of-pocket costs, and potential tax savings), an HSA plan may make economic sense. A single person with a taxable income over \$34,000 has a marginal federal income tax rate of 25% for any income over \$34,000. For a married couple, the 25% income tax bracket starts at \$68,000 in taxable income. Nebraska state income tax is about 5% of your taxable income, so the combined federal and state income tax is about 30% of your income. If you were to put the maximum

amount of \$4,050 into your HSA, you would have a potential tax savings of approximately \$1,215.

One big difference between the HSA plan and a traditional deductible policy is that the HSA health plan will not pay anything until you have spent \$2,850 out-of-pocket. Under the HSA plan, you do not have an office copay when you visit the doctor or a prescription copay when you receive prescription medicine. You will pay the cost of these items, and the entire expense will be applied to the \$2,850 deductible. Your total liability under the HSA plan is limited to \$2,850. Once you have paid \$2,850 (combined cost of medical care and prescription medication), the plan pays all other covered charges for the remainder of the plan year. Since the HSA plan year is January 1 to December 31, EHA is considering allowing retirees who wish to sign up for the HSA plan to first sign up for one of the traditional deductible plans (either \$600 or \$1,500) this August, then switch to the \$2,850 HSA plan to be effective on January 1, 2011. Watch for more details on this option.

Since the changes for retiree health plans are substantial, EHA will provide two opportunities to learn more about the different insurance choices available next year. On Wednesday, July 14, EHA will hold a webinar on the new choices, and on Thursday, July 15, EHA will hold a live seminar at the Westside Community Conference Center, 3534 S. 108th Street, Omaha. Watch the mail for details on how to sign up for the webinar,

(See **OPTIONS**, page 5)

(OPTIONS, from page 4)

	\$600 deductible plan	\$1,500 deductible plan	\$2,850 deductible HSA plan
Annual medical premium	\$6,210	\$5,239	\$5,239
Deductible	\$600	\$1,500	\$2,850
Coinsurance	20%	30%	Applied to deductible
Office visit copay	\$35	\$50	Applied to deductible
In-network individual out-of-pocket maximum	\$2,000	\$3,000	\$2,850
Prescription drugs generic/formulary/non-formulary	25%/25%/50% (subject to dollar minimums and maximums)	30%/30%/50% (subject to dollar minimums and maximums)	Applied to deductible
Routine care provision	\$500 subject to deductible and co-insurance	\$500 subject to deductible and co-insurance	\$500 <u>not</u> subject to deductible
Annual cost for \$1,500 in covered charges (assumes 25% federal tax, 5% state tax rates and saving \$4,050 in the HSA)	Premium = \$6,210 Deductible = \$600 20% co-insurance = \$180 TOTAL = \$6,990	Premium = \$5,239 Deductible = \$1,500 TOTAL = \$6,739	Premium = \$5,239 Deductible = \$1,500 TOTAL = \$6,739 Potential tax savings = \$1,215 Net cost = \$5,524

and for the times for both events. EHA will be sending those details to all retirees under the age of 65. Complete plan details can be found on the EHA web site, www.ehapan.org.

The chart above compares all three insurance options. The chart

does not show the premium for dental coverage, since that premium is the same for all three plans (\$22.25 per month) and the dental coverage for all plans is identical. The chart also illustrates the total cost under all three plans for a hypothetical individual in the

25% federal income tax bracket who has \$1,500 in covered medical charges and who puts \$4,050 (the maximum amount allowed) into an HSA.

—Roger Rea,
EHA Board Member

One of the more inspiring activities of NSEA-Retired members is participation in the annual “Read Across America,” an activity commemorating the birthday of Dr. Seuss (Theodore Seuss Geisel,) by reading his works to school children. Below NSEA-Retired President, Roger Rea, as the “Cat in the Hat” reads to students at Sunny Slope School in Omaha on March 2, 2010.



Where’s
Roger?

Retiring? Don't Forget to Renew that Certificate!

By: Jay Sears, NSEA Director of Teaching and Learning

Many NSEA members can't wait to retire and leave behind all the responsibilities they had as teachers, administrators, or counselors. But before you leave the school building for the "last time," check your teaching certificate! Specifically, look at the expiration date for your teaching, administrative, or special services certificate. If you intend to come back to substitute after you retire, you will need to have a valid teaching certificate.

Once your certificate expires, it can be expensive to get the certificate renewed. You can use your certificate to substitute on an occasional, part-time basis immediately after you retire. You must be retired for at least 180 days in order to come back to the classroom full time. If you have been retired for more than the required 180 days and are asked to "help out" or "fill in" while the district finds a permanent employee, an expired certificate creates a num-

ber of potentially expensive "issues."

Most teachers have either a "Standard Certificate" or "Professional Certificate" prior to retirement. These certificates serve as your "license to teach" in Nebraska's public schools. Without a current teaching certificate, you cannot teach in a public school. A Standard Certificate is valid for five years, and a Professional Certificate is valid for 10 years. All teaching certificates cost \$55 to renew.

To avoid the problems that come with an expired certificate, be sure that your certificate will still be valid after you retire. All certificates now expire on your birthday, not at the end of the school year. If your certificate expires up to four years after you retire, you can renew the certificate during the fourth year of your retirement based on teaching experience. To renew your certificate based on teaching experience you must have taught at least one year during the past five years.

If you plan to renew your certificate in the fifth year after you retire, you will not be able to renew on teaching experience because you will not have taught for one year during the previous five years. In this case, you will need to take six graduate hours to renew your certificate.

If you let your certificate expire and don't attempt to renew within five years after the expiration date of your certificate, you will need to take 15 graduate hours to get a new certificate.

Although you may not plan to return to teaching after retirement, having a valid teaching certificate gives you the flexibility to substitute or accept a full-time position after your mandatory 180-day retirement has lapsed. More information on certificate renewal, as well as an on-line renewal application, can be found on the Nebraska Department of Education website: www.nde.state.ne.us/TCERT/

(DISABLED, from page 8)

Once a disabled member becomes eligible for Medicare Part A and Part B benefits, he/she will be eligible to enroll in the NSEA-Retired BlueSenior Classic Medicare Supplement plan. The member will be required to notify the Lincoln Office of BCBSNE of their eligibility for Medicare Part A and Part B. When the notification has been received, BCBSNE will send the member an NSEA-Retired BlueSenior Classic enrollment package consisting of an Application, Medicare Supplement Outline of Coverage, Premium Schedule, and information on Medicare Part D coverage (MedicareBlue Rx).

To enroll in this valuable benefit, the member will need to complete and remit the following items to BCBSNE's Lincoln office:

- The completed enrollment form
- A copy of the member's Medicare card
- The first month's premium

Having health insurance after being declared disabled is a very important member benefit. Please carefully review the underwriting guidelines to qualify for insurance in the event that you become disabled.

NSEA-Retired Annual Meeting and Conference Hillcrest Country Club, Lincoln, April 15, 2010

With over 100 NSEA-Retired members attending, keynote speaker Dr. Richard O'Brien continued his dissection of health care legislation. His talk titled "Health care reform: what did we get? Where do we go from here?" presented information so relevant that the readers will find answers to all their questions about the challenging federal legislation by checking these resources: <http://www.kff.org>, <http://www.kff.org/healthreform/sidebyside.cfm>, <http://www.FactCheck.org>, and <http://www.Politifact.org>. O'Brien's presentation slides are on the NSEA-Retired Web page at www.nsea.org/members/retired.

Joe Starita, author of "I Am a Man—Chief Standing Bear's Journey for Justice," led an inspiring discussion of the Chief who in 1879 was declared "a person within the meaning of the laws of the United States" by the Omaha Federal District Court. An appropriate venue since the Nebraska State motto is "Equality Under the Law!"

Table Talk Sessions: Once again, the members were entertained and educated in discussions on Digital Cameras—both Non SLR and SLR, BCBS Pre-65 and Medicare and Medicare Supplemental Insurances, Cooking for Two, Estate Planning, Antique Appraisal, Facebook for Beginners, and Genealogy—and desserts!



Health insurance continuation for disabled school employees

By: Kent Trelford-Thompson, BCBSNE, and Kurt Genrich, EHA Plan Advocate

Educators Health Alliance (EHA) is the Blue Cross insurance plan that covers almost all school employees in Nebraska. In addition to insuring active and retired members, EHA also provides an insurance benefit for members who become disabled. The guidelines for EHA insurance allow a disabled member to continue his/her health coverage under both the EHA group health plan and NSEA-Retired BlueSenior Classic Medicare Supplemental coverage. The current EHA "Group Membership and Underwriting Guidelines" has this provision for disabled members:

"The active employee on total and permanent disability as defined by Social Security, the Nebraska Teacher Retirement System or the Omaha Public Schools Retirement System, may continue coverage on the Direct Bill Plan after 29 months' COBRA coverage by joining NSEA, NCSA or NASB as a Special Services member, unless otherwise required by the Family and Medical Leave Act of 1993. Disabled employees may enter the Direct Bill Plan after 18 months of COBRA. After completing 18 or 29 months' COBRA coverage, if the disabled employee has family coverage and has no eligible dependents, the employee and his or her spouse may apply for employee-plus-spouse coverage. The active employee on total and permanent disability as defined by Social Security, the Nebraska Teacher Retirement System or the Omaha Public Schools Retirement System that is also on Medicare part A and B, may also elect Medicare Supplemental coverage."

A member may continue his/her coverage under NSEA-Retired BlueSenior Classic, Medicare Supplement plan **prior to age 65** if they have been deemed disabled by Social Security. If you receive disability benefits from Social Security or certain disability benefits from the RRB (Railroad Retirements Board) you will automatically get Medicare Part A and Part B, starting the first day of the 25th month after your Social Security or RRB benefits begin (See **DISABLED**, page 6)



Mailing Address Label