NSEA-RETIRED ADVOCATE

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September 2011: V7, I1

Pension attacks continue

Roger Rea
President

Political craziness is becoming an epidemic. The craziness is akin to sharks chasing blood bait in shallow waters. As the feeding frenzy escalates, we see that the likely victims are public employees and their modest benefits. It is all done with the political bravado of "solving the state fiscal mess." In reality, any solution comes at the expense of public employees. Surprisingly, the proposed changes often do not save money – they cost money! Wisconsin made the news last spring. The most recent attacks have taken place just south of the border in Kansas.

Kansas has not fully funded its public retirement plan (known as KPERS) for as long as I can remember. The retirement benefits in Kansas are modest.

All public employees (education employees as well as state and county employees) are in the same retirement system. The retirement benefit is 1.75% of the final three-year average salary multiplied by the years of service. Earlier this year, the Kansas legislature voted to modify the benefits for future KPERS members as well as future benefits for current KPERS members. The proposed changes are complicated and ask employees to select a new benefit tier. Essentially the changes either eliminate the cost-of-living adjustment, reduce the formula multiplier, increase the contribution rates, or a combination of all three! A thirteen-member panel is charged with making recommendations for alternative plan designs by January 2012. Any changes must be approved by the Kansas legislature next year and must have IRS approval before they can be implemented. What a mess!

Is Nebraska immune to the craziness? Consider this: last year the legislature introduced several bills that would change the benefit provisions for new members of the school and state patrol retirement systems. The bills were referred to committee for further study, and the actuary for the retirement systems was asked to prepare a projection model to study the fiscal impact of the proposed benefit changes on the long-term funding of the retirement plans. The projection model was unveiled at the July 2011 meeting of the Public Employee Retirement Board. I attended that meeting to learn what the long-term funding projections might reveal.

The projection results were very interesting. Several scenarios were developed – each would retain all benefits that current employees have earned, but would change the way future benefits would accrue for new hires. The changes included reducing the formula multiplier below 2.0% of final average salary; increasing the number of years used in calculating the final average salary; increasing the age for early retirement; increasing the vesting period beyond five years; changing contribution rates for employees and school districts;

(See **The President,** page 2.)

(**The President,** from page 1.)

and changing the post-retirement cost-of-living adjustment. The most bizarre scenario was to eliminate the defined benefit plan for school employees and state patrol members and enroll new hires in both plans in cash balance plans that would mirror the cash balance plan currently provided for state employees. Talk about a crazy quilt of options!

The goal of all of these studies was to see what would happen to the need for future state contributions to maintain the actuarial soundness of the retirement plans.

"Normal cost" is an actuarial term meaning the long term cost (as a percent of payroll) of providing the promised benefits of a retirement plan. The normal cost of our current retirement plan is about 11.1% of pay. That means that if a total of 11.1% of pay (about 6% from both employee and employer) is regularly contributed for all employees, and if the money is invested to earn an average of 8% per year, that there will be enough money to pay for all benefits that are currently promised to school employees at the time they retire. If a second tier of benefits (with reduced benefits compared to the current plan) were implemented for all new hires, the projection shows that the normal cost for the lower-benefit tier would increase to about 12.6% of pay! Why? The increased normal cost results because new education employees are older (on average) when they begin their careers than was the case forty years ago. An older "entry age" means that there is less time for investments to "grow" by the time the employee retires, so contributions need to be higher. At the same time, the cost for the older tier of benefits does not disappear. In fact, the projections showed that the costs of providing a new tier would continue to increase for the next thirty years! That result may not be intuitive, but those are the facts.

No decision will be reached on any potential modifications in the retirement plan until the legislature convenes in January 2012. NSEA and NSEA-Retired will carefully monitor any proposed changes, and we will involve members to modify and defeat any proposed reduction in benefits.

The truth of the matter is that the long-term cost of providing our current retirement benefit (11.1% of pay) is more than met by the current contribution rates to the retirement system (a total of about 17% of pay). The contributions in excess of the normal cost are now being used to pay for the decline in investments caused by the poor market returns of the past decade. The need for additional state contributions right now is not to pay for benefits – it is to pay for the poor investment performance over the past ten years. Lawmakers need to be reminded of this simple fact.

NSEA-Retired Greater Nebraska Fall Conference

Tuesday, October 4, 2011
9:00 AM – 3:30 PM

Nebraska Nature & Visitors Center
9325 S Alda Road
Alda, NE 68883
Interstate I-80 Exit 305.

Keynote Speakers, Table-Talk Sessions & Workshops
Scheduled sessions include a roundtable with State Senators and Legislative Priorities
Continental Breakfast, Lunch, and a Root Beer Float Social

On-Line Registration begins after September 15 at
www.nsea.org/members/retired
Updated agenda and additional information will be posted on-line.
-or- call Rebecca Smith after September 15 at 1-800-742-0047

Joe Higgins wins coveted NEA-Retired Distinguished Service Award.

The NEA-Retired motto: "NOW MORE THAN EVER - THE COMMITMENT CONTINUES" has long had significant meaning for me. What are those common commitments that continue in our retirement years?

Commitment #1. All children will have equitable access to a great public school education. We believed then, and do now, that education is the key factor in a successful and rewarding life.

Commitment #2. Education is the pathway to expanding America's Middle Class. We were, and are, committed to narrowing the gap between the few who are very wealthy, and the many who struggle to provide food, shelter, health care, and education for their family.

Commitment #3. Education professionals deserve decent salary, decent health care, respect for the job they do, and a decent retirement system. When I walked into my first classroom 47 years ago we had no collective bargaining, no health care, and a retirement system that provided teachers a $140 per month pension after 40 years in the classroom.

Of course, if you were a woman who did not teach for a few years as you raised your own children, your pension was significantly less. And some of our fellow educators were denied any access to the public school employees retirement system.

Now we find that the gains made in all three areas are under renewed attack. America's middle class, public employees in general (police & firefighters), Educators, in particular, have somehow become, to some, public enemy #1.

Even as the attacks outlined continue, the next villain is being defined: America's seniors, Retirees, those on Social Security, Medicare and Medicaid are becoming the new villains. We did not seek this struggle. It has been brought to us by those who fear any expansion of the middle class and seek a permanent underclass upon which their wealth is based.

This is no time for us to sit back, relax and enjoy our retirement. It is time for all us to fight back. Your leadership, your **commitment** is needed,

(The award was presented at the 2011 NEA-Retired Annual Meeting in Chicago. —ed)

More Nebraska NEA-Retired Winners

NEA-Retired President Barbara Matteson presented Tom Black a first place plaque in the NEA-Retired Spotlight Journalism Award category for his editing and writing of the *NSEA-Retired Corner* that appears in the *NSEA Voice*. Black has won 12 National Journalism awards since 2000 for both the *NSEA-Retired Corner* and the *NSEA-Retired Advocate.*

CHICAGO

John Jensen (pictured on the right) was elected to the national position of NEA-Retired Vice President for a 3-year term. Not since the early 1980's have NSEA-Retired members been represented in national leadership roles. That's when Val Pullen, McCook, (who was a leader in the formation of NSEA-Retired) served as vice president, then president of NEA-Retired.

NEA Recommends President Obama for Re-election

By Joe Higgins, NSEA-Retired Past President

Whether or not to recommend President Barack Obama for re-election: That question faced more than 7,500 delegates to the 2011 NEA Representative Assembly on July 4 in Chicago. Among those were 100 NSEA members, including five members of NSEA-Retired.

NSEA and NEA membership crosses both sides of the political aisle. But with a review of President Obama's education accomplishments during his first three years, and a look at the slate of potential nominees on the GOP side, delegates voted to give Obama the early recommendation by a 72-28 percent margin.

The recommendation is based purely on the education stance or accomplishments of the candidates.

Why not wait until next summer? For one thing, many of those on the campaign trail for the GOP nomination were vetted by NEA in previous election cycles, and didn't earn an endorsement in those efforts. For another, GOP candidates have declined to take part in the NEA recommendation process.

Obama earned NEA's recommendation in 2008. Further, he has:

Doubled federal funding for community colleges;

Supported federal fiscal stabilization funds for states that provided more than $240 million in support of PK-16 public schools in Nebraska;

Supported federal Education Jobs funds that provided nearly $60 million in additional support for PK-16 public schools in Nebraska;

Supported expansion of health care coverage to millions of uninsured Americans, some of whom are education support professionals in our public schools;

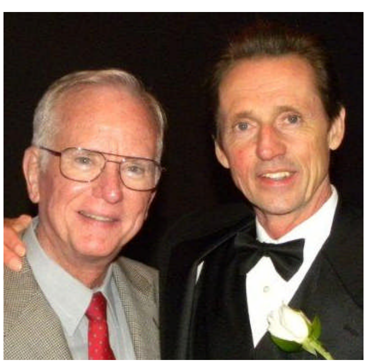
Supported the rights of public employees to organize and join a union; and to bargain collectively; and

Recently announced a new initiative, *Skills for America's Future*, that will provide $2 billion to community colleges over five years to train half a million college students for manufacturing jobs.

Much debate preceded the RA vote. Heavily cited was the failure of Education Secretary Arne Duncan to advocate for "a great public school education for all students" and his lack of initiative in pushing to reform No Child Left Behind.

The consensus of the delegates was that a second Obama Administration provided the best opportunity to advance the NEA agenda for "Access to a Great Public School for Every Child." Given the attacks on public education, collective bargaining rights, and public employee benefits by presidential candidates on the other side of the aisle, a significant majority of delegates supported the Obama recommendation. The recommendation will be used as leverage to help bring about changes in the current administration and put a new focus on increased learning achievement for all students.

No NEA dues dollars are spent to support presidential candidates. Furthermore, the Obama campaign does not accept political action committee monies.



Every year NEA conducts a Human and Civil Rights Awards program to honor individuals and affiliates who stand up for and defend human and civil rights. The NEA Human and Civil Rights Committee presents the awards at the traditional Awards Dinner during the NEA Representative Assembly. The awards program honors those who have expanded educational opportunities for minority students and educators. and improved intergroup relations.

Joe Starita, UNL professor in the College of Journalism and Mass Communication, won the NEA Lee Reano Memorial Award for significantly contributing to education and equal opportunities for American Indian/Alaska natives. Author of books on the Lakotas and Poncas, he directed the creation of a 147-page magazine that examined the roles played by Native American women played in Indian culture, providing positive role models for new generations. Roger Rea, NSEA-Retired President, was his nominator.

Ferial Pearson, English teacher at Omaha South High School, won the NEA Virginia Uribe Award for Creative Leadership in Human Rights for promoting equality for those facing discrimination due to their sexual orientation. She is a co-sponsor of the school's Gay-Straight Alliance student club. Mark Shively, former NEA Director, was her nominator.

Medicare and EHA seminars to be held in October

By: Roger Rea, NSEA-Retired President

Medicare has moved the decision dates for changing Medicare Part D plans to October 15 – December 7, 2011. NSEA-Retired and Blue Cross will provide a series of seminars to assist members in the decision-making process regarding their health care. Our members will be able to attend one of four sets of seminars to get help in making an informed decision about Medicare Part D plans as well as the three options for retiree coverage available through the Educators Health Alliance, EHA. Those three options are a $600 deductible policy, a $1,500 deductible policy, or a $2,850 deductible policy eligible for a Health Savings Account. The information seminars are scheduled for October 17-20, 2011.

Although the agenda is not yet finalized, seminars will be held in Omaha on Monday, October 17; Kearney on Tuesday, October 18; Lincoln on Wednesday, October 19; and Norfolk on Thursday, October 20. Information regarding the exact location of each seminar, as well as the start time, will be sent to all participants of the early-retiree EHA insurance plan as well as NSEA-Retired members who are nearing Medicare eligibility in the near future. The tentative agenda for the meetings has the Medicare seminar scheduled from 9:00 a.m. – 11:30 a.m., and the EHA early-retiree-coverage seminar from 1:00 p.m. – 3:00 p.m. at each location. An updated agenda will be posted on the NSEA-Retired web page, ***www.nsea.org/members/retired***, when it becomes available.

The Medicare seminar will follow the same format that has been used for the past several years. Presentations will be made on (a) what Medicare covers, how to enroll, and the costs that are pertinent for the coming year; (b) information on NSEA-Retired BlueSenior Classic, the Medicare supplement that is endorsed by NSEA-Retired and underwritten by Blue Cross of Nebraska; (c) the benefits provided by Medicare Part D, the prescription drug benefit for Medicare; and (d) a demonstration on how to use the Internet to select an appropriate Medicare Part D provider.

NSEA-Retired BlueSenior Classic is a Medicare supplement that is only available to either NSEA-Retired members or participants in one of the EHA plans. It is the only Medicare supplement that provides dental coverage as part of the supplement itself. The dental coverage is the same PPO dental coverage that participants in EHA currently have. The spouse of any NSEA-Retired member is also eligible to enroll in our Medicare supplement so long as they enroll during the initial period of eligibility for Medicare. For individuals who cannot attend one of the live sessions, all of the handouts from the Medicare seminars will be posted on the NSEA-Retired web site, ***www.nsea.org/members/retired***, after the seminars have been completed.

NSEA-Retired members under the age of 65 who participate in EHA early-retiree coverage can choose from among three options this year. All EHA early-retirees are enrolled in the $600 deductible PPO plan by default, but they may select either a $1,500 deductible PPO plan or a $2,850 High Deductible Health Plan (HDHP) that is eligible for a Health Savings Account, HSA.

Members who want to change from the $600 deductible plan to one of the other options have two possible dates when a selection can be made. For those who want to start the new coverage on September 1, 2011, completed applications had to be received at Blue Cross by August 8, 2011. Since the additional deductible amounts must be satisfied during a calendar year, participants in the early-retiree coverage may choose to begin their new coverage level on January 1, 2012.

In order to enroll in a different plan, members must call Blue Cross at 1-800-562-6394 to request a new enrollment packet. Identify yourself as a participant in EHA, give them your EHA identification number, and a new enrollment form will be mailed to you. You must complete the enrollment form and return it by December 1, 2011 in order to have a January 1, 2012 effective date. Members are reminded to use caution before changing plans. Once you move to a higher deductible plan, you will not be allowed to change back for a period of three years.

Members who choose to enroll in the $2,850 deductible HDHP may also set up a Health Savings Account, HSA, to pay for their out-of-pocket costs on a pre-tax basis. NSEA-Retired has endorsed Union Bank of Lincoln as the preferred provider for HSA accounts for our members. Union Bank has branch banks in various locations across the state, and makes HSA accounts available to any EHA participant in the $2,850 HDHP without charge. Additional details on HSA accounts will be provided during the October seminars.

There is no need to pre-register for the Medicare seminars – attendance patterns from the past will be used to prepare handouts

(See **Medicare,** page 6.)

(**Medicare,** from page 5.**)**

To ensure that we will have enough materials for the pre-65 seminars, please go to the EHA web site, ***www.ehaplan.org***, and click on the appropriate link to register. You will receive an email confirmation of your registration for this event. You may attend the seminar without pre-registration, but there may not be enough handouts for you unless you pre-register.

Mark your calendar now for the dates for these seminars, look for a mailing with the location of the seminars, and plan to attend one to become better informed about the choices you have for both early-retiree coverage and Medicare. Complete information about the seminars will also be posted on the NSEA-Retired web site when it becomes available.

Subscribers to Legacy Medicare Supplement Plans will be moved to NSEA-Retired BlueSenior Classic on January 1, 2012

By: Roger Rea, NSEA-Retired President

NSEA-Retired and Blue Cross of Nebraska have teamed to offer Medicare supplements to our members for many years. The goal of the partnership is to offer a Medicare supplement that provides superior coverage with features that cannot be found in other Medicare supplements. When the first Medicare supplement was offered, the "added benefit" was prescription drug coverage. Medicare did not offer prescription drug coverage at that time, but the Medicare supplement endorsed by NSEA-Retired did. Eventually two different supplements, with slightly different drug benefits, were offered. The plans (now called "legacy plans") are officially called BlueSenior Classic+ and BlueSenior Classic Rx+.

When Medicare Part D, the prescription drug benefit, was implemented in 2006 we closed the "legacy" Medicare supplements to new enrollees and initiated a new Medicare supplement that offers dental coverage as part of the supplement plan. No other supplement offers dental coverage. The dental coverage of the new plan, NSEA-Retired BlueSenior Classic, provides the same dental coverage that is available to members of the Educators Health Alliance (EHA) Blue Cross plan while they are working. Subscribers to either one of the legacy plans were encouraged to switch to the new plan. Subscribers who did not want to change were allowed to stay with the older legacy plan with its prescription drug coverage, but no new enrollees were allowed into the legacy plans.

When Medicare Part D first started, the prescription drug coverage for the legacy plans was slightly better than what subscribers could obtain from Medicare Part D. Medicare Part D eventually provided a drug benefit that was better than the low-option legacy plan, and most subscribers to that plan transferred to the new supplement and purchased a prescription drug benefit from a different provider. Premiums for the legacy plans have risen over the years to help pay for the drug benefit. In April 2011, the NSEA-Retired Board decided to terminate the legacy Medicare supplements effective January 1, 2012, and move all subscribers enrolled in those plans to NSEA-Retired BlueSenior Classic with optional dental coverage. Currently there are less than 250 members in the legacy plans, and the premiums they are paying are more than it would cost to purchase an equivalent supplement and prescription drug coverage through Medicare Part D. For many members, Medicare Part D now provides superior drug coverage.

In July 2011, a letter was sent to all subscribers to one of the legacy Medicare supplements, informing them that they would be transferred to NSEA-Retired BlueSenior Classic with optional dental coverage effective January 1, 2012. All legacy supplement subscribers will receive an additional letter in October 2011 giving additional information and details about the change.

(See **Legacy, *page 7)***

(**Legacy,** from page 6.)

Anyone who was enrolled in one of the legacy supplements will automatically be moved to NSEA-Retired BlueSenior Classic on January 1, 2012. There will not be any problems if you have a pre-existing condition – the change will not require completion of any medical paperwork, and coverage will not be denied based on any pre-existing conditions.

The good news is that the medical benefit of NSEA-Retired BlueSenior Classic is identical to the medical benefit provided by either one of the legacy plans. The premium for NSEA-Retired BlueSenior Classic will be substantially lower than for the legacy plans, and NSEA-Retired BlueSenior Classic will offer dental coverage for those who want that benefit. Current legacy plan subscribers will need to purchase a Medicare Part D prescription drug plan to be effective January 1, 2012 if they do not already have that coverage. Information on Part D options available from Blue Cross will be included in the October mailing. In addition, NSEA-Retired and Blue Cross will offer seminars October 17-20 on Medicare and how to choose a Part D provider. Preliminary details of those seminars are elsewhere in this newsletter. All legacy plan members will receive a letter from Blue Cross giving complete details on the seminars when the seminar program has been finalized.

NSEA-Retired values members enrolled in our Medicare supplements. We are proud to offer an enhancement to that coverage that is not available to the general public.

2010 Census shows Nebraska losing ground

By: Roger Rea, NSEA-Retired President

NSEA-Retired has formed a coalition of nine organizations interested in providing tax relief for retirees who choose to remain in Nebraska after they retire. Kiplinger Magazine recently ranked Nebraska as one of the ten worst states for retirees (from a tax perspective), and one of the five least pension-friendly states. The goal of the coalition is to make Nebraska more retiree friendly by changing the tax policy of the state regarding retiree income taxes.

The coalition met on June 15 to receive updated data obtained from the 2010 Census. David Drozd from the University of Nebraska at Omaha Center for Public Affairs Research made the presentation. UNO is the official research facility for the U.S. Census information for Nebraska. The 2010 Census revealed the following information:

- If current population trends continue, Nebraska will be in danger of losing one Congressional representative (member of the US House of Representatives) in 2020.
- Rural counties in Nebraska are losing population to the urban counties of Douglas, Lancaster and Sarpy.
- Nebraska is increasing population more slowly than other states (ranking 30th in the nation in growth rate).
- Nebraska ranks 50th among the 50 states in persons receiving retirement income (defined as retirement, survivor, or disability benefits [pensions] from companies/unions, federal/state/local government, and the military).
- Nebraska's population is a relatively young compared to the country, ranking:
    - In the top third of the states for percent of citizens younger than 35;
    - In the bottom fifth of the states for percent of citizens between 35 – 64;
    - 35th in the nation for percent of citizens between 65-79;
    - 14th youngest median age in the nation (Nebraska's median age is 36.2, one year younger than the US median age of 37.2).
- Nebraska ranks in the bottom ten states for growth in age ranges 15-19, 20-24, 40-44, 65-69, 70-74, 80-84, 85+, and all ages over 65. (Nebraska is in the top third of the states for growth in people younger than 5, between ages 5-9, 25-29, 30-34, and is #20 for 55-59 year-olds).
- Nebraska is not as old as people might think, thanks to high birth rates among new immigrants, increased immigration, and outmigration of retirees.

The coalition will meet again in November to consider changes in the tax structure for Nebraska to make the state more retiree friendly. Proposals will be presented to the Unicameral in January for possible action.

EHA announces "Premium Holiday"

By: Roger Rea, NSEA-Retired President

Educators Health Alliance (EHA), the Blue Cross plan than insures most NSEA-Retired members younger than 65, has had very favorable claims experience for the past year. Prudent use of medical services by plan members coupled with good management of the EHA plan have kept premiums for the 2011-12 plan year the same as for 2010-11. The EHA Board announced in February 2011 that there would not be an increase in premiums for 2011-12, and that any increase for 2012-13 would be no more than 4%. When claims do not exceed premiums, any surplus is deposited into a rate stabilization reserve account to be used to offset future unfavorable claims experience in order to reduce future rate increases.

At the May 26, 2011, meeting, the EHA Board passed the following resolution:

"There shall be a premium holiday in December 2011. In subgroups where a recognized or certified bargaining agent exists, both the employer and bargaining agent shall sign a form provided by EHA in order to receive the holiday. If a bargaining agent does not exist the employer shall sign the form. Direct bill subscribers, including early retirees, and COBRA subscribers, shall receive the holiday if they are enrolled in the month of December."

NSEA-Retired members who are insured by EHA will not have a premium deducted from their checking or savings account in December. You must be part of EHA for the month of December to qualify for the premium holiday. For retirees, there are no additional forms to complete or return. Blue Cross will work with your financial institution so that the normal premium will not be deducted from your checking or savings account in December. Premium payments will resume automatically in January 2012.

Enjoy the holiday season this year, and celebrate with the money you save by not paying a premium for your health insurance in December!

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January 2012: V7, I-2

Taking on a "Reverse Robin Hood"

Roger Rea,
NSEA-Retired
President

Robin Hood may have been a tale of folk lore, but the motivation of Robin and his merry band may cast light on the motives of the current demonstrations and sit-ins associated with the "Occupy Wall Street" movement. The main concern of the OWS protest is that in just the last generation, the richest 1 percent of Americans almost quadrupled their incomes. The average wealth of the 1 percent is 225 times bigger than the wealth of the typical American household – the highest it has ever been – at the same time they are paying lower taxes than ever. The central message of the OWS movement concerns building a strong middle class. Over the past decade, earnings for middle class Americans actually fell. In fact, working American wages are now a lower percent of our economy than they have ever been. It might seem fair to take from the rich and give to the poor, as old Robin Hood is reputed to have done.

An even more insidious aspect of this disparity in wealth is revealed when one considers how the elderly have been treated in recent years – especially in Nebraska! It is relatively well-known that Nebraska is one of just five states that fully tax Social Security benefits to the extent allowed by federal law, and one of only four states that do not provide any exemption or tax credits for retirement income. What is not so widely known is the effect this tax structure may be having on the state population.

Nebraska population has lagged behind the national average population growth in every census since 1900. While the state has increased in population in every decade except the 1930s, the population in Nebraska has grown about half as rapidly as the country as a whole.

Even more revealing are the statistics the 2010 Census show on the Nebraska rankings with regard to various age bands. Here is the relevant data

Age group	2010 US population	2010 NE population	NE state rank
Under 5	6.5%	7.2%	6
5-19	20.4%	20.8%	12
20-34 (echo)	20.3%	20.5%	18
35-44 (gen X)	13.3%	12.1%	44
45-64 (boomers)	26.4%	25.8%	41
65-79 (depression)	9.4%	9.3%	35
80+ (greatest gen.)	3.6%	4.2%	12
Median age	**37.2**	**36.2**	**14**

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(See **President,** page 2)

(**President,** from page 1)

Nebraska lags behind the country in proportion of the population between ages 35 – 79, and has the 14^{th} youngest population in the country, with an average age that is one year younger than for the country as a whole. When demographers are asked why Nebraska has a younger population than the country as a whole, the answers are two-fold: (a) Nebraska attracts young immigrants into the state to work, and young immigrants typically have large, young families (see the rankings for the population under the age of 34); and (b) older Nebraskans leave the state at about the time they retire.

The effect of retiree out-migration is even more obvious when comparing household income structure. Nebraska ranks 9^{th} in the nation in percent of households with earned income, and 16^{th} in the nation in percent of households with dividends and interest. But a look at retirement income rankings shows that Nebraska ranks 35^{th} in the nation in percent of households with Social Security or railroad retirement, and 50^{th} in the nation in percent of households with pension income (either public or private, including disability income). The clear conclusion: Nebraskans live here to work, but retire elsewhere.

One final piece to this puzzle of why Nebraskans leave the state at retirement comes from the fact that Nebraska is one of just five states that fully tax Social Security benefits. Social Security benefits were not taxed at the federal level until 1983, and the federal tax on Social Security was deposited into the Social Security Trust Fund to help pre-fund promised benefits to the Baby Boom generation. The federal tax on Social Security was increased in 1993, and the additional funding was used to help pay for Medicare Part A benefits for retirees. In both cases, the federal tax money was used to help benefit retirees – either current retirees or future retirees. Since the Nebraska income tax is a percent of the federal tax liability, Nebraska got a windfall benefit in 1983 and an additional windfall benefit in 1993. While other states took positive action to not tax the Social Security benefits for their retirees – Nebraska took the money and ran! And the situation has gotten worse. In 2000, 50% of retirees had a Nebraska tax on their Social Security income; in 2008, 58% were taxed on their Social Security income.

Social Security and pension income were intended to keep our elderly and disabled citizens out of poverty. They were never intended to be sources of income for the state. Nebraska is one of just four states in the nation not to come to grips with that concept. While the wealthiest corporations in the state have gotten tax credits and exemptions to expand their businesses, elder Nebraskans have been increasingly asked to pay more so that those tax exemptions can be given. It is a classic case of taking from the poor and giving to the rich. It is classic "Robin Hood in reverse." And it is time to stop the madness! The tax environment for retirees in Nebraska ranks dead last among the seven-state region (NE, IA, MO, KS, CO, WY, and SD). It is time to change that ranking.

If we slow the out-migration of retirees, Nebraska will have the benefit of their retirement incomes to stimulate the economy, the benefit of their volunteer work and expertise to help enhance "the good life," and an increased population to help retain our Congressional representation. That would be a win-win situation for everyone.

Caution needed for COBRA transition to Medicare

By: Roger Rea, NSEA-Retired President

When direct-bill EHA subscribers qualify for Medicare at age 65, they automatically receive a mailing from Blue Cross that gives enrollment information for NSEA-Retired BlueSenior Classic, the Medicare supplement that is endorsed by NSEA-Retired. NSEA-Retired BlueSenior Classic offers dental coverage as part of the Medicare supplement – the only Medicare supplement that has dental coverage as part of the supplement itself.

EHA subscribers who choose COBRA coverage (rather than direct-bill, early-retiree coverage) are also eligible for NSEA-Retired BlueSenior Classic if their COBRA coverage is active at the time they turn 65. However, COBRA subscribers do not automatically receive enrollment information about NSEA-Retired BlueSenior Classic.

If you or anyone you know is on COBRA coverage when they turn 65, call Blue Cross at 1.800.562.6394, identify yourself as being a COBRA subscriber for EHA, and ask that enrollment information for NSEA-Retired BlueSenior Classic be sent to you by mail.

INTERGENERATIONAL MENTORING PROGRAM

SIGN UP TODAY!!!

Friday, Feb. 10, 2012 1:30 – 7:30

Saturday, Feb. 11, 2012 8:30 – 1:00

NSEA Headquarters

Message from mentee to mentor*:* Thank you so much for traveling to Hastings for graduation. It was truly such an honor to know you care that much! You have been such an amazing mentor, so fret not, you will be hearing from me long into the future. Life gives you unexpected gifts when you are open to them – you have been such an unexpected gift and I am so grateful for our friendship!

Training to take place at NSEA.
Must be in attendance both days.

Housing & gas stipend for participants who live outside of Lincoln. All meals are provided.

Students will be from various colleges across the state.

For more information, or to sign up, contact Maureen Nickels at 1.800.742.0047 or email: maureen.nickels@nsea.org

The mentoring experience can last a lifetime!

Experience of Age; Exuberance of Youth!

My experience as a Mentor

By: Jan Barnason, an experienced mentor

As a retiree, I enjoy my role as a mentor to college students; as a participant in the Intergenerational Mentoring Project through NSEA Retired, I get to feel, once again, that thrill of the prospect of teaching through my mentees that I knew as an undergraduate. I now have several mentees and I still keep in touch with most of them.

We gather as a large group of retirees and students the first day of training. The two-day workshop familiarizes us with our responsibilities and reminds us of “who we are.” We complete a personality questionnaire as part of our training. When we are paired, retiree with college student, we have time to get to know each other. We spend time finding out what our expectations are and agree on when and how we want to keep in touch. For the most part my mentees have wanted e-mail or text messages as a way to reach out, and that works well for me. We have even agreed on how often the students want to have communication. Some students want me as a contact “when needed,” while others want contact every month or two. Each student I have been paired with has been very receptive to the idea of having a mentor, but no two students have been alike.

I have found that college students have great support through their education program and can be very independent, but consider a retiree as a valuable contact with experience in the classroom. Friends who have mentored students actually help them set up their classrooms when they start their first teaching assignment. That has not been the type of relationship that has developed with my mentees. After our training I get together for lunch or dinner (on me – remember those days of institutional food!), send e-mail, birthday or Christmas cards, etc.

Last year one of my friends suggested inviting our mentees to her house for a sample of our cooking. We had taken a French Cooking class at CCC and wanted to share what we had learned. We invited our mentees and our husbands, too! Great food, good times and a nice feeling of connecting to the next generation of educators.

NSEA-Retired spring elections nominations are on-line now!

By: Roger Rea, NSEA-Retired President

NSEA-Retired will hold state-wide elections in March for delegates to NSEA Delegate Assembly, NEA Representative Assembly, and for Metro-2 District Director for the NSEA-Retired Board of Directors. The position on the Board of Directors is for a three-year term, beginning August 15, 2012. NSEA Delegate Assembly will be held at the Embassy Suites Hotel and Conference Center in La Vista on April 20 and 21, 2012. NEA Representative Assembly will be held in Washington, DC from June 30 – July 5, 2012.

Fourteen NSEA-Retired delegates to NSEA Delegate Assembly will be elected as follows: Metro District, four; Capitol District, three; Elkhorn District, two; Tri Valley District, two; Panhandle District, one; Sandhills District, one; and one at-large, state-wide delegate.

A member filing as a district delegate may also file for the at-large delegate position. Candidates for office must reside in the district for which they file for election.

Four delegates will be elected to attend NEA Representative Assembly. Two delegates will be elected as state-wide, at-large delegates. One delegate will be elected by the combined retired membership of Capitol, Elkhorn, Panhandle, Sandhills, and Tri Valley Districts; and one delegate will be elected by the retired membership in Metro District. A member filing as a district delegate candidate may also file as an at-large delegate candidate.

The president of NSEA-Retired serves as a delegate to both NSEA Delegate Assembly and NEA Representative Assembly by virtue of office.

Members of NSEA-Retired who wish to be candidates for any of the posts must complete and return a nomination form before February 4, 2012. Members filing for either Metro-2 District Director or as a candidate for NEA Representative Assembly must also submit a biography of no more than 50 words.

Nomination forms can be found on-line at ***www.nsea.org/members/retired***. The nomination forms are pdf files, and can be completed and downloaded on-line. The completed forms can either be e-mailed (as an attachment) to ***rebecca.smith@nsea.org*** or mailed to her at the address listed on the form. Nominations will be posted on the NSEA-Retired web page as they are received. You may call Rebecca at 1.800.742.0047 if you need additional information

Health information seminars very popular

By: Roger Rea, NSEA-Retired President

NSEA-Retired has teamed with both the Educators Health Alliance (EHA) and Blue Cross and Blue Shield of Nebraska to bring important information about the options retirees have for health insurance. EHA offers three options for retirees younger than 65: (a) a $600 deductible policy; (b) a $1,500 deductible policy; and (c) a $2,850 deductible policy that is eligible for a Health Savings Account. Nine seminars or webinars were held in 2011 to bring information on these three options to retirees. A total of 199 attended these information sessions.

Four seminars about options for Medicare, Medicare supplements, and Medicare Part D (the prescription drug benefit for Medicare) were held last October. The attendance at the four seminars was 267.

Members who were not able to attend one of the seminars can download and view all of the handouts for both the EHA and the Medicare seminars on the NSEA-Retired web site, ***www.nsea.org/members/retired***.

(See **Health Information, page 5)**

Lobby Day is Feb. 7

By: Roger Rea, NSEA-Retired President

Tuesday, February 7, 2012, will see NSEA-Retired members gathering in Lincoln to address legislative concerns. Tax revenues for the state are a bit higher than had been projected, and there are rumors that some members of the legislature want to use that money to lower taxes for businesses. NSEA is on record opposing any reduction in revenue until the cuts that were made to state aid for education are restored.

NSEA-Retired has been working with a coalition of retiree groups to bring some tax relief for retirees. Nebraska is one of five states that fully tax all Social Security benefits to the extent allowed by federal law. If business tax breaks are on the agenda for the legislature, so also will be tax breaks for retirees. An article elsewhere in this newsletter gives details on the coalition's work.

Lobby Day will start with an issue awareness training to familiarize NSEA-Retired members with the bills that are up for consideration this year. Data provided by the 2010 Federal Census, showing an out-migration of retirees from Nebraska to more tax-friendly states, will also be shared. First-time attendees to Lobby Day will have an orientation session on how to effectively lobby your senators prior to the issue awareness session. Registration and training will take place in the 4th floor conference room of NSEA, 605 S. 14th Street, Lincoln, NE. The tentative agenda for Lobby Day is:

8:30 a.m. – Registration and coffee (first-time lobbyist training)

9:00 a.m. –Issues awareness training

10:15 a.m. – Observe Unicameral and visit with Senators

12:00 noon – Lunch and guest speaker at NSEA. Office.

1:30 p.m. – Committee hearings or capitol tours (optional)

There is no registration fee for members to attend Lobby Day. Guests are asked to pay $10 to cover the costs of the program.

Please register for Lobby Day on the NSEA-Retired web page, ***www.nsea.org/members/retired***, or call Rebecca Smith at 1.800.742.0047. The deadline for registration and to attend the luncheon is Friday, February. 3, 2012.

NSEA-Retired members who attend are asked to park on the east side of the Trinity Lutheran Church parking lot at 12th and H streets, about three blocks from the Capitol. Please do **not** park in any space marked "Reserved."

(**Health Information,** from Page 4**)** Retirees younger than 65 can change from the $600 deductible plan to one of the higher deductible plans and save about $970 per year in premiums. In addition, retirees who change to the $2,850 deductible plan can contribute up to $4,100 to their Health Savings Account. Money contributed to an HSA is deductible from your gross income and not subject to income tax if it is used for qualified medical expenses. An HSA account is not subject to the "use it or lose it" provision that applies to flexible spending accounts, sometimes called Plan 125 accounts. Enrollment in the three plans as of December 1, 2011 is displayed in the chart below.

Plan	Enrollment
$600 deductible	2,550
$1,500 deductible	400
$2,850 deductible	159

NSEA-Retired members can change EHA insurance plans at two different times each year. You can file an application by August 1st of each year for an effective date of September 1st, or you can file an application by December 1st of each year for an effective date of January 1st. If you move to a higher deductible plan, you must remain on that plan for a minimum of three years (or until you qualify for Medicare, whichever comes first).

Coalition targets tax breaks for retirees

By: Roger Rea, NSEA-Retired President

The coalition of retiree groups that NSEA-Retired helped form two years ago has agreed to support changes in the way that retirement incomes are taxed in Nebraska. During the past two years, the coalition has met with demographer David Drozd from UNO. David is with the UNO Center for Public Affairs Research, the official site in Nebraska for distribution of data collected by the US Census. The 2010 Census shows that Nebraska continues to lose population among age groups close to retirement age to other states with more attractive tax climates.

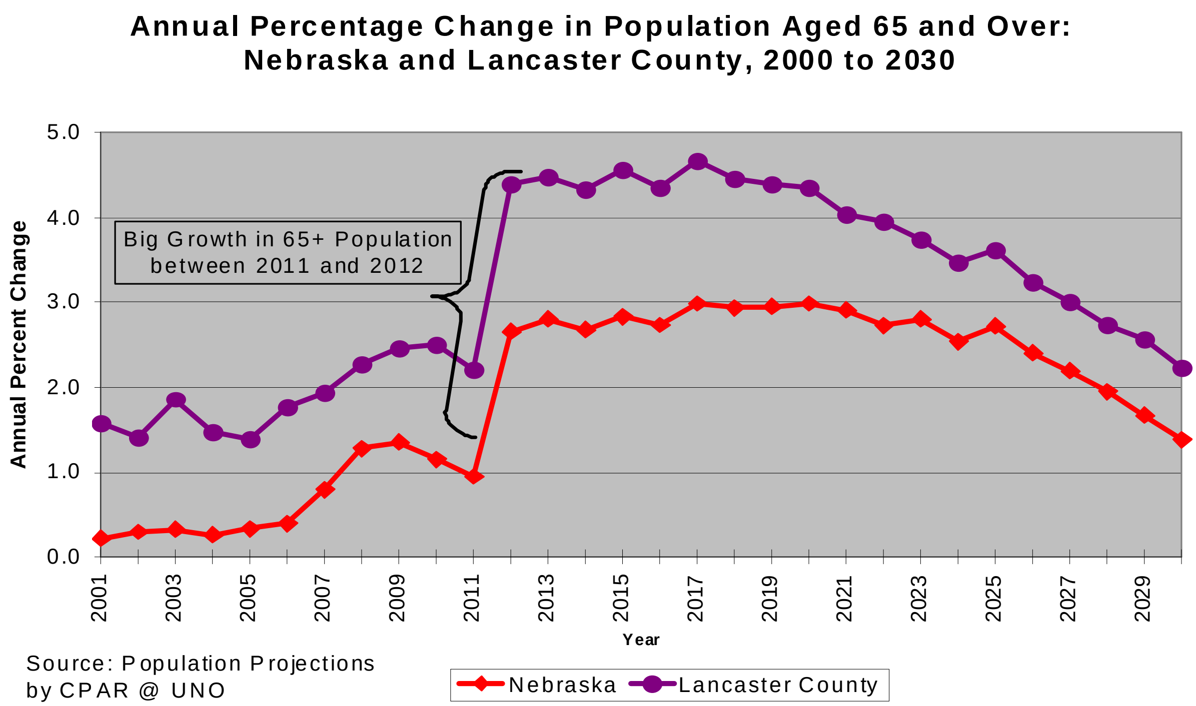
Demographers who analyze population growth among the states conclude that "… *growth is stronger where taxes are lower*." Based on Nebraska's lagging population growth, Drozd estimates that if Nebraska does not act to retain individuals at retirement age, the state will lose its third Congressional Seat in the 2020 Census.

Nebraska's population of Baby Boomers is about to retire, and as they do so, they will choose where to spend their retirement years – in Nebraska or in a more tax-friendly state for retirees.

The graph shows how the population of 65-year-old individuals will change over the next two decades in Nebraska (red line) and Lancaster County (purple line); the large spike in the next few years occurs as the Baby Boom generation begins to retire. The problem is easy to see.

Although details of any bills that may be introduced in the legislature in 2012 had not been finalized at the time this issue of the *Advocate* went to press, several proposals were being considered for bill language. The main thrust of the proposals would be to lower the income tax burden for retirees in the state.

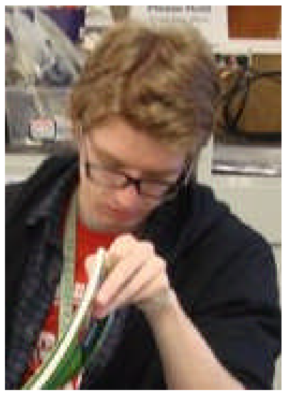
Nebraska is one of just five states that fully taxes Social Security benefits, and one of just four states that do not provide any exemptions or tax credits for retirement income. The proposed bill will address taxation of retirement income in some manner. More details will be available at the annual NSEA-Retired Lobby Day on February 7.



OUTREACH TO TEACH

For five years the Student Education Association of Nebraska (SEAN) has conducted its Outreach to Teach activity in conjunction with its Fall Conference. In previous years, SEAN has sent almost 100 students and NSEA-Retired has contributed a handful of members and some financial assistance to the project. For 12 years, NSEA-Retired and SEAN have enjoyed a unique partnership. Students and retired members paint, rake, plant, landscape, sort, construct billboards, build, clean, move classrooms, discard trash, and all leave with good feelings.

Left: Linda Freye, NSEA Board liaison to SEAN; Nancy Fulton, NSEA President; Leann Widhalm, NSEA Vice Presdent. Right: NSEA Staff to SEAN: Mike Weisen, Tamra Mick, Gary Osborn



Tommie Leaders, Chair of NEA Student Program; Patrick White, SEAN President; Jill Kimbrough, SEAN Outreach Coordinator. Also attending, but not pictured: Jenni Absalon, NEA Director; John Heineman, NEA Director and NSEA Board liaison to SEAN; Platte Valley Retired Education Association leaders Guy Roggenkamp and Jams McGahan.

Howard Elementary School, Grand Island

Getting organized; assigning jobs.

Sorting clothes

Installing table legs

Landscaping

Save the date!

NSEA-Retired Annual Meeting and Spring Conference

Boys Town Conference Center, Omaha, NE
Thursday, April 19, 2012: 8:30 am – 3:30 pm

Keynote speaker: Matthew Placzek, artist

Spotlight on Nebraska:
Darrel Draper as Theodore Roosevelt, Roughrider President

Breakout sessions: iPad 101; Creating Memories with Digital Photobooks;
Honeybees – raising them and the benefits of honey;
Antique Appraisal; Living Healthy; Spring Gardening;
Health insurance after retirement (EHA options and Medicare transition.)

No cost for members: Non-members and guests pay $10 per person

Evening Social Event (Wednesday, April 18) TBD

Full agenda available on-line about March 26
On-line registration begins after March 26
www.nsea.org/members/retired
Or: Call or email Rebecca at 1.800.742-0047 or ***rebecca.smith@nsea.org***

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The power of collective action

Roger Rea
President

The meaning of a word or phrase depends on the context in which it is used. Consider the words, "May Day." When I was a child, we delivered May baskets on May Day, May 1, to those whom we admired, liked, or loved. The baskets were filled with flowers and candy (and often an anonymous note) and delivered by stealth. You would sneak up onto the porch of the recipient, deposit the May basket, ring the doorbell or knock on the door, and run like crazy so as not to be detected. As a child I considered it great fun to do something nice like that and not get caught at it.

Incidentally, the one-word term, "mayday" has absolutely nothing to do with the month of May. Mayday is an international distress signal. It is delivered by voice over the radio, and repeated three times, "*mayday, mayday, mayday,*" to be sure that it is not misunderstood over any static on the radio. This word "mayday" derives from the French words, *venez m'aider*, meaning "*come help me*."

For well over 100 years, May 1st has also been celebrated as an International Workers Day. It marks the world-wide efforts of labor to attain the eight-hour work day. The efforts to achieve this goal began in 1856 in Australia and continued for the next several decades worldwide. At their December 1888 St. Louis convention, the newly-formed American Federation of Labor (AFL), designated May 1, 1890, as the day for a national demonstration for the eight-hour work day. On July 20, 1889, the International Social Congress (held in Paris, France) adopted a resolution calling on workers world-wide to organize demonstrations in each country in the world on that same day, May 1, 1890 "*…in a manner suited to the conditions in their country….*" to support international efforts to attain an eight-hour work day . While the USA now celebrates Labor Day in September, most of the world still celebrates the accomplishments of labor and collective action on May 1.

May 1 is celebrated worldwide as an expression of support for the efforts of the working class to make a better life for all citizens. It was the collective efforts of organized labor world-wide that attained the goal of the eight-hour work day. In fact, organized labor has been in the forefront of efforts to make a better way of life for all workers. Some history may help illuminate the matter.

Organized labor was begun in the Middle Ages with the development of craft guilds. Stone masons and carpenters were among the first crafts to organize. The craft guilds helped assure that workers had the necessary skills to carry out the tasks associated with building European Gothic churches, and also controlled access to the craft. The craft guild concept was continued in the USA

(See **PRESIDENT**, page 2)

(PRESIDENT, continued from page 1)

and formally organized as a labor union movement in the 1870s and 1880s under the Knights of Labor. The Knights of Labor collapsed because of poor leadership, and in 1886, Samuel Gompers organized the American Federation of Labor, AFL. Gompers and the AFL immediately joined the world-wide effort to attain an eight-hour work day at the organization's 1888 St. Louis convention.

AFL pushed for passage of federal laws protecting workers rights, culminating with the passage of The National Labor Relations Act, NLRA, in 1935. The NLRA provided several specific, guaranteed rights for workers. Among those rights were the rights to organize and bargain collectively with their employers as well as the right of workers to choose their own leaders. More importantly, the NLRA defined five prohibited practices for employers. Employers could not: (a) interfere with or prohibit collective action by the labor union; (b) dominate labor union leadership; (c) discriminate against workers who took part in union activities; (d) retaliate against workers for filing unfair labor practice charges; or (e) refuse to bargain in good faith. The NLRA is often considered the Magna Carter for American labor.

In 1938, John L. Lewis founded the Congress of Industrial Organizations, CIO, to organize workers by industry, not by craft. The CIO was able to organize all of the workers of an employer, making it a dominant force in organized labor during the 1940s. In 1955, the AFL and CIO merged to make the largest labor organization at the time, AFL-CIO.

Scholars at Harvard, Yale, MIT, Cornell and the Economic Policy Institute recently researched and listed the top ten accomplishments of organized labor during the last century, 1900-2000. The list, in rank order of importance: (1) founding the CIO in 1938, which organized by industry instead of by craft; (2) passage of Social Security Act in 1935; (3) passage of NLRA in 1935, granting workers rights; (4) GM sit-down strikes of 1936-37, which started with 50 workers wanting a 5¢ per hour raise, and extended until 480,000 GM workers were on strike. The strikes resulted in the 5¢ hourly increase for all, the re-hiring of the striking workers, and union recognition for collective bargaining; (5) passage of the 1964 Civil Rights Act; (6) public sector labor organizing in 1962-80; (7) passage of the Fair Labor Standards Act of 1938, establishing an 8-hour work day, a minimum wage, overtime pay, and the end of child labor; (8) the Bread and Roses strike of 1912, which started the public struggle to improve the workplace; (9) the "no-strike" agreement between labor and management during WW II; and (10) passage of the Occupational Safety and Health Act, OSHA, in 1970, ensuring safe working conditions.

This impressive list of accomplishments by labor was the result of the collective action of workers headed by a few great leaders. The workforce today owes a great debt of gratitude to the vision of past labor leaders and the power of collective action. To quote noted anthropologist Margaret Mead, "*Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has*."

It is appropriate to remind us all of what collective action has been able to accomplish for everyone, and why we need to be vigilant about current efforts to take away our rights to organize and bargain collectively.

2012 SEAN winners of $1,000 scholarships presented annually by NSEA-Retired: Melissa Sorenson, Nebraska Wesleyan University; Tom Black, NSEA-Retired Vice President; Devon Garcia, Peru State College; and Brittnie Kreikemeier, Nebraska Wesleyan University.

LEA-Retired celebrated twenty years as an NSEA-Retired affiliate at the Governor's mansion on May 9, 2012. Six of the 35 charter members of LEA-Retired were present to commemorate the event. The six who attended are (clockwise from the left): Rita Coyle, Marlene Johnson, Carol Reed, Helen Weber, Lorene Behrends, and Lorraine Sutton.

The Intergenerational Mentoring Class of 2012

The NSEA-Retired Intergenerational Mentoring Project brings together NSEA-Retired members and SEAN student members in their junior or senior year in teacher education. NSEA-Retired members act as mentors to the students from their junior year through their senior student teaching semester and their first year as professional teachers. Through telephone, e-mail, and face-to-face conversations, the students know they have experienced mentors to ask for an idea for a lesson, a hint for handling a discipline problem, or a trusting shoulder to lean on.

In 2003, NSEA-Retired members Ruby Davis and Joe Higgins and SEAN members JoLynn (Funk) Julius and Marta Walker attended the initial training. Tom Black, NSEA-Retired President, and Maureen Nickels, NSEA Staff Liaison for the Retired, quickly committed leaders and resources to begin the project in Nebraska. Gary Osborn, NSEA Staff Coordinator for the Students, joined the Team. During the first year, the Nebraska team organized retired-student teams through Midland Lutheran College, University of Nebraska at Omaha, and College of St. Mary's. Ever growing, the 2012 class represented SEAN members from nine colleges and universities.

To continue this very successful project, the Team needs retired teachers who want to work with young people and who want to continue their contributions to public education to volunteer for the program. If you are interested, contact Maureen Nickels at ***maureen.nickels@nsea.org*** or 1-800-742-0047, for Application Brochures.

NEA-Retired dues to increase in September

NEA-Retired has announced that annual dues will increase by $5 effective September 1, 2012. NSEA-Retired dues will not increase this year. Dues for local retired associations are set by those local associations. The combined annual dues for NSEA-Retired/NEA-Retired will be $55 in September. If you are an annual member of your local retired association, you will need to add the dues for your local to this amount.

You can beat the NEA-Retired dues increase by becoming a lifetime member of the three organizations now! You must complete your dues payments by August 15, 2012, in order to qualify for the current lifetime dues of $400. The lifetime dues amount will increase to $450 on September 1.

Members of OEA-Retired and LEA-Retired should call their local association office to get the proper forms to fill out for lifetime membership. OEA members should call 402-346-0400; LEA members should call 402-489-7500. For members of both OEA and LEA, the total lifetime dues amounts are $500, and include lifetime membership in either OEA-Retired or LEA-Retired. The lifetime dues for these two locals will increase to $550 on September 1, 2012.

Members outside of Omaha and Lincoln can become lifetime members by going to the NSEA-Retired web page, ***www.nsea.org/members/retired***, and either clicking the ***JOIN NOW*** link or downloading the membership form on the page. Send the completed form along with your payment to NSEA (the address is on the form) by August 15, 2012 to join at the current $400 combined state and national dues rate.

Beat the dues increase! **Become a lifetime member NOW**. Lifetime members have access to all of the NEA Member Benefits programs, including a discount on Horace Mann Insurance products.

—Roger Rea, NSEA-Retired President

The Commitment Continues… NSEA-Retired members lobby for actives, retired, and children.

LOBBY DAY, February 7, 2012, NSEA-Retired members lobby their Senators on legislative issues important to both active and retired members.

The day began with instruction by NSEA Government Relations Staff Karen Kilgarin and Jerry Hoffman (left,), and a presentation by Senator Jeremy Nordquist (right,), who introduced the bill to exempt Social Security pensions from State taxation.

(Left) Dee Gillham, Senator Kate Sullivan , Art Tanderup, Helen Tanderup.

(Right) Senator Norm Wallman, Gene Martin, Robert McClelland, Al Elliott.

(Left) Arlene Rea, Senator Tyson Larson, and Kathy Spahr.

Jan Barnason and Senator Gwen Howard.

Each year, members continue their commitment to the students they served so well. On March 2, the birthday of Dr. Seuss, NEA/NSEA active and retired members celebrate Read Across America. Dressed in the Cat in the Hat costume, they read to area youngsters. At Rousseau Elementary, Lincoln, Pat Etherton, Reads to the fourth graders.

Senator Greg Adams, the late Senator Dennis Utter, Jerry Hoffman, and Karen Kilgarin. Panel at the NSEA-Retired 2011 Fall Conference.

EHA rates increase slightly in Sept. 2012

NSEA-Retired members who are younger than 65 and who are insured through Educators Health Alliance (EHA), the Blue Cross insurance plan that insures almost all school districts in the state, will see a small increase in insurance rates in September. The rates for medical coverage will not change, but the dental rates will increase modestly. While rates for active EHA participants will increase by 2.99% on September 1, EHA will use money provided by the Affordable Care Act (as part of the Early Retiree Reinsurance Program) to keep the medical coverage premiums for early retirees the same as for 2012. The Affordable Care Act provided grants to group insurance plans to help underwrite the cost of retiree coverage. The grants are intended as an incentive to encourage employers to continue to provide health insurance for retirees younger than 65. EHA was one of the first groups in Nebraska to apply for the Early Retiree Reinsurance grants.

There will be several benefit enhancements for 2012-13 to bring EHA plans into compliance with the Affordable Care Act. The following preventative health care services for women will be covered at 100% starting September 1, 2012, [subject to final regulation guidelines being adopted by the Department of Health and Human Services]: (a) well-women visits; (b) contraceptive methods and prescriptions; (c) counseling for breastfeeding and breast pumps; (d) screening for gestational diabetes in pregnant women; (e) counseling for sexually-transmitted diseases; (f) screening for human papillomavirus; (g) counseling and screening for HIV; and (h) screening and counseling for interpersonal and domestic violence.

Dental rates for PPO dental coverage for NSEA-Retired members younger than 65 will increase by 67 cenrts per month for single coverage. The September 1, 2012, renewal rates for individual coverage for the three plans available to retirees (including single PPO dental coverage) will be: $600 deductible = $540.43; $1,500 deductible = $459.54; $2,850 deductible HSA-eligible = $459.54.

NSEA-Retired members younger than 65 have the opportunity to change from the standard $600 deductible plan to one of the higher deductible plans twice each year. Your application to change policies must be received by August 15 in order to have an effective date of September 1, 2012. Applications received after August 15 and before December 1 have an effective date of January 1, 2013. Members can view an archival webinar comparing the three plans available to retirees younger than 65 on the EHA web page, ***www.ehaplan.org***. Handouts from seminars on the options available for retirees younger than 65 that were held during 2012 are posted on the NSEA-Retired web page, ***www.nsea.org/members/retired***. If additional seminars are held later this year, the times and locations will be posted on the EHA web page when they have been scheduled.

If you wish to change coverage, please call Blue Cross at 1-800-562-6394 to request an application.

—Roger Rea,
NSEA-Retired President

Your Retired Delegates to the 2012 NSEA Delegate Assembly

(L-R:) Joe Higgins, Walta Sue Dodd, Jan Barnason, Jim McDermott, Pat Etherton, Roger Rea, Tom Black, DeLoris Tonack, John Jensen, Liz Rea, Art Tanderup, and Carol Krejci. (Not pictured: Dee Gillham, Arlene Rea and Guy Roggenkamp.)

NSEA-Retired Spring Assembly and Conference, April 19, 2012

Presenters

(Far left) Linda Kennedy—EHA Wellness Project; (left) Leah Woodland—What's New at the Henry Doorly Zoo; (Right) Matthew Placzek—The Art of Making Outdoor Art.

Roger Rea, NSEA-Retired President.

John Jensen, NSEA-Retired Board and NEA-Retired Vice President.

Cherrie Beam-Clarke, as Irish immigrant Mariah Monahan, gives a captivating presentation of Nebraska pioneer life in 1847-1885 at the **NSEA-Retired 2011 Fall Conference.**

Theodore Roosevelt

The Conservation President

(Darrel Draper, re-enactor)

Bully!! The two-term President visited Boys Town during his 1912 campaign for a third term. He displayed his skills as a naturalist, explorer, hunter, author, soldier, and experienced candidate. The crowd echoed his enthusiasm. Bully!! Mr. President. Bully!!

Participants were treated to antique appraisals, digital photobooks, health insurance , dealing with life's stresses, an introduction to iPads and their use in achieving goals of a healthy lifestyle, and the "how's and why's" of honey.

Health care reform brings benefits for seniors

The Affordable Care Act is currently under review by the US Supreme Court, with a final decision expected this summer. All Americans will be affected by the outcome of that decision – and senior citizens may have the most to lose! According to the Kaiser Family Foundation and the National Council on Aging, there are a number of benefits that senior citizens on Medicare are currently enjoying as a result of the Affordable Care Act that are in jeopardy if the law is completely overturned.

Among those benefits:

In 2007, more than 8 million senior citizens hit the "donut hole" in Medicare Part D coverage for prescription medication. In 2011, name brand drugs were discounted by 50% for seniors in the donut hole. The donut hole will be closed for all drugs by 2020. It is estimated that 14% of seniors who hit the donut hole suspend taking some or all of their prescribed medications because of the costs, posing a real health threat to those individuals.

The Centers for Medicare and Medicaid Services, CMS, reported that the Affordable Care Act has saved more than 5.1 million individuals on Medicare $3.4 billion on prescription drugs from enactment of the bill in 2010 through March 2012.

Preventative care has increased under the Affordable Care Act. There is an annual "wellness visit" paid by Medicare as well as screening for a number of preventative services, including mammograms, colonoscopies, and cancer and diabetes screenings.

Better care is provided when you do get sick. If you are like 80% of older Americans, you have at least one chronic condition such as heart disease, diabetes, or high blood pressure and you may see several doctors for treatment. The law provides for investing in new models for care that will provide for care that is better coordinated and provides more patient-centered services. The law also provides incentives for hospitals to help you return home after hospitalization with the services you need from your community as well as better patient education to teach you ways to take care of yourself.

The law will reduce Medicare spending growth, extend Medicare solvency, and is projected to help reduce the federal deficit. These estimates come from the non-partisan Congressional Budget Office, CBO. The CBO estimates that the new law will save Medicare $425 billion over ten years and extend solvency of the Medicare Trust Fund by eight years, until 2024. Additionally, the CBO estimates that the new law will reduce the federal deficit by $200 billion over the next ten years.

The law will make it easier to receive and pay for long-term care at home. A new long-term care insurance program called CLASS (Community Living Assistance Services and Supports) will be available. Spouses of individuals who receive Medicaid home care will no longer be forced into poverty so that an ill spouse can qualify for Medicaid home care.

Many rumors about what the Affordable Care Act will do are simply false. The Office of the Speaker of the House in 2010 provided a list of rumors along with the truth about the law.

According to that report, the law will:

NOT lead to rationed health care. You and your doctor will continue to make choices about what is the best health care decision for you. Reform actually takes health care bureaucrats out of the decision-making process for your family.

NOT lead to a government takeover of health care. Every American will still be able to choose a health care plan and his or her own doctor and make decisions with that doctor. According to the CBO, private insurance coverage will expand by 16 million individuals under the reform law.

NOT end Medicare. Reform is about strengthening Medicare, a proven program that's working well. For Medicare enrollees, the law will lower prescription drug costs, provide free preventive care, ensure that you can keep your doctor, improve the quality of your care, and extend the solvency of Medicare for nearly a decade.

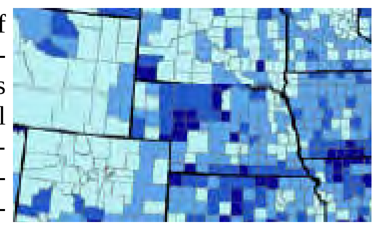
The law has already extended coverage to children up to the age of 26, removed lifetime coverage caps from insurance policies, prohibited insurance companies from denying coverage based on pre-existing conditions, and begun to eliminate waste and fraud in Medicare and Medicaid. It is likely that debate on this topic will heat up again as the Supreme Court makes its ruling public regarding the law this summer. Just be familiar with the facts about the law, and discount the rumors.

Roger Rea,
NSEA-Retired President

Coalition on tax reform continues work—Roger Rea, NSEA-Retired President

LB 976, which would have exempted Social Security income from Nebraska state income tax, was not passed into law during the 2012 Unicameral session. Sen. Jeremy Nordquist, who introduced the bill, said that the idea of reducing the tax burden on Nebraska senior citizens was part of the final negotiations with the Governor for a tax-reduction package. However, it was eventually dropped from the package in order to keep the cost of tax cuts to a minimum this year. While NSEA-Retired and the other eight members of the coalition to make Nebraska more retiree-friendly were disappointed at that outcome, all were encouraged that the concept of reducing the tax burden on Nebraska seniors is gaining support in the Legislature.

The 2010 Census showed that Nebraska has about 360,000 individuals between the ages of 50 and 65. As this Baby Boomer population retires, individuals in this age group will decide whether to make Nebraska their retirement home or move to a state with a friendlier tax climate for retirees. David Drozd, coordinator for US Census data for Nebraska at the UNO Center for Public Affairs Research, estimates that Nebraska will lose one of its current three US Congressional Districts by 2020 if the current trend of population loss among those nearing retirement age is not slowed or stopped.



Social Security income is important to Nebraska, and especially important to rural Nebraska. The graphic at the right is shaded to show how much of the total personal income from each county came from Social Security for Nebraska and the surrounding states by county in 2009. Darker shading indicates counties in which Social Security income provides a larger share of total personal income. The two darkest shades represent counties where Social Security provides from 8.3% to 26.1% of the total personal income for the county. Nebraska's rural counties are among the most heavily dependent upon Social Security income in the nation.

Members of the coalition met in early June to examine options for re-introduction of a bill that would reduce the tax burden on retirees. The outcome of that discussion will be a bill that will outline ways by which the coalition can achieve its goal of making Nebraska more "retiree-friendly."

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Save the date!

NSEA-Retired will hold the Eastern Nebraska Conference on October 23.
The conference will be held at the St. Benedict Center, north of Schuyler.

Mailing Address Label