President’s Report

Dear NIU Annuitants:

It is my pleasure and privilege to write this last newsletter greeting to you as your Association President. I hope that spring, with its green grass and fragrant flowers, has finally graced your home, that you are in good health, and that life is at least reasonably good. A new Association President will be elected at our upcoming annual meeting, Wednesday, June fifth.

Our annual gathering will begin with the business meeting at 3:00 p.m. in the Holmes Student Center’s Sandburg Auditorium, followed by a complimentary buffet (around 5:00 p.m.) in the Duke Ellington Ballroom, hosted by President and Mrs. Peters. This is always a pleasant opportunity for food and conversation after the rigors of talking business. The details of the meeting are noted below, and the unapproved minutes of last year’s annual meeting have been included for your perusal at the end of this newsletter.

This will also be the last time that President Peters will participate in our annual meeting as NIU Chief Executive, and we all send him and his wife Barbara our very best wishes in their future plans. President Peters has been very supportive of NIU staff and annuitants during a turbulent time when the state legislature and governor are attempting to address the state’s severe pension funding shortfall.

Unfortunately, public employees and retirees remain in the crosshairs of the state’s financial crisis. Jim Lockard, our Legislative Committee Chair, has done an admirable job keeping Association members informed of various legislative efforts to address the state’s financial crisis and its potential effect on the retirement benefits of state workers and retirees. The current situation is cogently discussed below in Jim’s excellent legislative article.

The State Universities Annuitant Association (SUAA), of which we are one chapter, is a large organization working on your behalf, and your concerns expressed to our legislative representatives will be taken seriously. The SUAA website can alert you to pending legislation affecting your benefits if we have your email address. Additionally, Jim Lockard will also alert interested annuitants to political and legislative information of interest via e-mail.

As this newsletter reaches your mailboxes, a record number of NIU faculty and staff have recently retired. This situation is not unique to NIU but has been driven by the uncertainty of what lies ahead for current public employees, given pending legislation or proposed bills that might affect retirement benefits. As part of the recent effort to reform state pension and retirement benefits, all retirees will be required to pay a premium for their state-supported health care, effective July 1 of this year. Other legislation is being proposed as of the writing of this newsletter. The state SUAA and your local chapter will try to keep you up to date on the evolving situation in Springfield.

As always, membership in NIUAA provides you with a number of other perks, including the numerous trips and events scheduled by Steven Johnson. Please visit our website (listed below) to discover what these are, and make sure that Lee Ann Henry, our university liaison, has your e-mail address for timely updates on events. Finally, don’t forget our annual meeting scheduled for Wednesday, June 5. I hope to see you all there.

Jerry D. Meyer
NIUAA President
Legislative Report
by Jim Lockard
Legislative Chair

It is difficult to know what to share in this report, since the struggle over pension “reform” is going on right this minute in Springfield. By the time this issue of The Annuitant goes through the editing, printing, and mailing processes, you may well know what the General Assembly and governor have decided to do to us regarding reform of pension benefits. Since no bill has passed in both houses at this time, everything is still open to speculation. However, the various bills that have been passed by either the House or the Senate certainly suggest the general outline of what is likely to pass, eventually. There is little reason to doubt that Gov. Quinn will sign any bill that reaches him if it purports to address (not solve) the pension “crisis.” Proposals that might actually “solve” the problem are scare.

Based on debates in Springfield to date, the following are the elements of the pension systems that seem most likely to be targeted, with exact details still under discussion:

- Retirement age (will go up)
- Contributions from current workers (will increase)
- Pensionable salary (will be limited, probably to no more than the wage cap on which Social Security taxes are paid, currently around $113,000)
- Automatic Annual Pension Increases (often incorrectly referred to as a COLA – will decrease)

Other items that appear to be more contentious, whether between the two legislative bodies, between the two parties, or even within the parties, are:

- Cost shifting, so that the actual employer, e.g. NIU, would gradually assume responsibility for paying the annual “normal” costs for its employees’ pensions.
- Guaranteed payments by the state to the pension systems, so that there would be no future pension “holidays.” This could apply to both the regular systems, so that there would be no future pension “holidays.” This could apply to both the regular systems, so that there would be no future pension
- The potential to force retirees to choose between access to state-sponsored healthcare coverage and any “COLA.”
- A Tier III plan that would be a hybrid system combining both a defined benefit component (which is what the long-standing Traditional and Portable Plans are) and a defined contribution component (which is what the current Self-Managed Plan is).

In all of this, the question remains as to whether or not the changes are constitutional. The General Assembly appears to be ready to go ahead as it sees fit and let the courts decide. Because of concern that judges might rule based on their own personal interests as participants in the Judicial Retirement System, their system is excluded from the “reforms” in at least some of the proposals.

While there is no proposed bill that leaves our pension system untouched, the presidents of the Illinois universities and community colleges have come out in support of a six-step plan to reform SURS, created by the Institute for Government and Public Affairs at UI-UC. (Parts of the IGPA plan may be applicable to systems other than SURS, but they are not the focus.) The full document is available at http://igpa.uillinois.edu/system/files/Six-Simple-Steps-for-Reforming-SURS.pdf

Very briefly, the six steps are:

1. Reduce the “COLA”
2. Reduce the Effective Rate of Interest (would lower pensions under the Money Purchase Formula)
3. Shift annual normal costs to the campuses
4. Increase contributions of current employees
5. Re-amortize the unfunded liabilities to make them more affordable
6. Create a new hybrid pension plan to replace Tier II and the Self-Managed Plan for new employees, with current employees able to opt in to the plan.

Thus far, this proposal does not have a legislator to sponsor it, so there is no bill based upon the entire plan, though parts of it clearly parallel the most likely changes listed above.

Finally, there is the issue of healthcare for employees and retirees. This is not strictly speaking a legislative issue. The General Assembly passed SB1313 last year, and Gov. Quinn signed it, requiring retirees to pay premiums toward their healthcare coverage. Implementation of the law is the responsibility of Central Management Services. Premiums were supposed to take effect July 1, 2012, but for many reasons, implementation has remained in limbo. Originally, CMS proposed a very complex system for determining premiums based on years of service, age at retirement, Medicare eligibility, etc. That concept flew out the window this year when the governor agreed to a new contract with the American Federation of State, County, and Municipal Employees (AFSCME). The AFSCME contract has determined healthcare benefits for all state employees for many years, not only those who belong to the union.

Based on the new contract, which has not been signed by union leadership as of today (4-30-13), retiree premiums for FY2014 will be 1% of pension for those who receive Medicare benefits and 2% of pension for those who are Medicare ineligible or too young to
receive Medicare benefits yet. For FY2015, those rates would double to 2% and 4% respectively. Those amounts are expected to be deducted from pension payments starting July 1, 2013. In turn, benefits under the Quality Care plan will be less generous, deductibles will increase, prescription co-pays will increase, etc. Details are in the Benefits Choice booklet, which you must download from http://www2.illinois.gov/cms/Employees/benefits/StateEmployee/Pages/BenefitsBooks.aspx Both the current FY2013 booklet and the FY2014 booklet are available, allowing you to compare the benefits and observe the changes. In a nutshell, you will be paying more and receiving less coverage.

In addition, beginning January 1, 2014, the current options for supplementing Medicare primary coverage will no longer be available, according to CMS. However, the replacement plans have yet to be determined, meaning no concrete information exists as to what will happen next January. NIUAA and SUAA will be closely monitoring developments on this issue, as the potential impact on retirees is great.

As always, if you as an NIUAA member are not already receiving periodic updates on the latest developments regarding pensions and benefits, please contact Jim Lockard at jalockard@gmail.com. I will be glad to add you to the NIUAA distribution list that I use to get the latest information to our members in a timely manner. A non-NIU email address is preferable. If you do not use email, please try to identify a friend, neighbor, or co-worker who does receive these updates and ask that person to share them with you. NIUAA recognizes that many members simply do not have access to email, but neither NIUAA nor SUAA can afford to mail more than a few printed materials to the membership each year and they will never be as timely as our email communications.

**REMINDER:** The NIU Annuitants Association annual meeting will be held Wednesday, June 5, beginning at 3:00 p.m. in Sandburg Auditorium of the Holmes Student Center. A complimentary buffet hosted by President and Mrs. Peters will start with a social time at approximately 5:00 p.m. in the Duke Ellington Ballroom. The unapproved minutes of the June 2012 minutes are printed below for your convenience. Please bring them to the meeting. Some additional copies of the minutes and the agenda of the business meeting will also be available at the auditorium entrance.

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**Report from State Universities Retirement System (SURS)**

*by John Engstrom*

*SURS Representative*

As this is being written, changes to the pension code relating to annuitants, contributing members, and inactive members are taking place. You can keep up with those changes by reading the article by Jim Lockard in this issue and by paying attention to emails being sent by Jim Lockard and by SUAA. This article will deal with current events at SURS.

As of the end of March, SURS has done well on the investment front. The March return was 1.9%, raising the fiscal year-to-date amount to 12.6%. The asset valuation was $14.8 billion, up from $13.7 billion on July 1, 2012. The percentage funded on an actuarial basis was 43.5%, up from 41.3% on July 1, 2012.

The state has made its statutory contribution in full in the past two fiscal years. SURS believes that the same will be true for FY 2013. Monthly contributions have been regular. So far, the state has contributed 74% of the amount due at the end of March, but SURS expects full funding by the end of the fiscal year, as happened during the past two years.

The audit for the fiscal year ended June 30, 2012 has been completed, and SURS received an unqualified opinion from the external auditors. In addition, SURS expects to receive the Certificate of Excellence in Financial Reporting, for the most recent Comprehensive Annual Financial Report, from the Government Finance Officers Association.

As required by legislation, SURS will begin deducting amounts for annuitants’ health care coverage, beginning July 1, 2013. This will be implemented unless the State Supreme Court overturns a lower court ruling dismissing the lawsuit by AFSCME and others regarding the state requirement that annuitants pay for health care coverage. SURS’ responsibility in the health care area is limited to processing withholdings required by law and as administered by CMS.

I am finishing my first year of my second term as a trustee of SURS. As a reminder, SURS has six elected trustees and five appointed trustees, including the Chairwoman who is automatically appointed as the Chair of the Board of Higher Education. The next election for some of the elected trustee positions will take place in about two years.

If you have any questions, feel free to email me at JEngstrom@niu.edu.
Report on Fun and Fantastic Social Events for NIU Annuitants

by Steven Johnson
Events Chair

One of the benefits of belonging to the NIU Annuitants Association is the opportunity to participate in a number of fun special events, planned specifically for NIUAA members and their guests. Check your e-mail or the NIUAA website (under “annuitants association” in the university’s drop-down alpha listing) for times and places. Specific details and costs of events will be forthcoming when available.

It is the belief of the NIUAA Board that the organization of special events helps increase ‘camaraderie’ among members of the association.

Several complimentary coffee klatches and wine and cheese tastings are held throughout the year. Check the Annuitants page often for upcoming events.

Some Upcoming Events:
- May 20-24: Nashville Show Trip
- June 1: 57th Street ART FAIR (Hyde Park area, Chicago)
- June 5: ANNUAL MEETING, 3 p.m.
- June 15: MORMON TABERNACLE CHOIR, Ravinia
- June 20 - July 3: Summer Solstice trip to Alaska, Denali National Park and the Yukon
- July 12: Historic Pullman and the Haymarket Memorial
- July 22-25: Stratford Festival
- August 2-3: Hoover Presidential Library, Park Inn, Iowa
- September 7: Stars of the Lyric Opera of Chicago
- October 13: Othello, lyric Opera of Chicago
- November 3-8: Christmas at the Biltmore Mansion, Asheville, S.C.
- December 7: Holiday Shopping Trip

If you have additional ideas for special events/trips that might interest members of the NIU Annuitants Association, please contact Steven at sjohnso11@niu.edu. NIUAA events are also posted on the NIUAA website: www.niu.edu/annuitants/events/index.shtml.

Renewing NIU Parking Stickers

NIU parking stickers expire June 30. For NIU Retirees, Parking Stickers are complimentary. Those who wish to renew or initiate a campus parking sticker for the 2013-2014 NIU fiscal year, may do so via one of the three options, below:

1. If you have access to the Internet, go to www.niu.edu and then to the Campus Parking Services via the A-Z drop-down index. Click on the “Forms” line on the left hand side and then click on the “Faculty/Staff Vehicle Registration” line. Print, complete, and sign this form. Please be sure to check the “Retiree” box under “Permit Type” on the form. There is no charge to retirees for a parking sticker. Mail it to Northern Illinois University, Campus Parking Services, DeKalb, Illinois 60115.

2. If you do not have access to the Internet, call Campus Parking Services at 815-753-1045, and ask them to mail a copy of the form to you. Then follow the instructions as above with the form and mail it back to the Campus Parking Office, also as above.

3. Finally, visit the Campus Parking Office (they’re lovely people) and fill out the form on the spot. Please note, however, that new stickers will not be available for pickup until June 1.

Supportive Professional Staff Council Scholarship Established

The Supportive Professional Staff Council has recently created a scholarship fund to help support dependent students of SPS members. The Council is using the Faculty Fund Scholarship and the Operating Staff Council Scholarship as models. The SPS Council has to date received over $1000 towards its funding goal, and particularly invites SPS annuitants to contribute towards the scholarship endowment. Visit the SPS website for instructions on how to contribute and contact persons.
Membership in NIUAA
Currently, the NIU chapter of the State University Annuitants Association is the second largest in Illinois with 1885 members, second behind only the Urbana-Champaign campus of the U of I. However, our chapter also has the largest number of still employed members (currently 405) among all the chapters, making us unique in our advocacy for contract and pension benefits.

As a member of NIUAA you are also a member of the state association and privy to the briefings on benefits, legislation, and policy available with membership. These are primarily available through e-mail postings, so please make sure that Lee Ann Henry at University Advancement has your current e-mail address. She can be reached at lhenry@niu.edu.

All associations are only as strong as their membership. If you have a colleague, friend or family member who is eligible to join NIUAA but has not, please have them contact the association, an officer or director, or Lee Ann Henry at University Advancement. Information about the association is available online at www.niu.edu/annuitants, and an application form for membership can be located at the SUAA website, linked to our local website. An updated NIUAA brochure is also available from Lee Ann Henry.

Association dues are minimal (currently $34 per year) and can be paid through payroll deduction, direct deposit from pension payments, or annually by check. Dues cover membership in both the state and local organizations. If you have any questions pertaining to your membership in NIUAA/SUAA please contact Joe Koch at jkoch@niu.edu or Lee Ann Henry at lhenry@niu.edu or (815) 753-7406. NIU employee members should note that if you currently have payroll deduction for your membership, when you retire you will need to fill out new membership forms in order to have your dues paid by deduction from your SURS account.

V.O.I.C.E.S: Volunteers Offering Intergenerational Collaborative Experiences with Students
by Bennetta Stearnes

There is an exciting opportunity for both retirees and currently employed NIU future annuitants to make a difference in the lives of students K-12 by becoming a volunteer in the V.O.I.C.E.S program in DeKalb School District 428.”

The way to do that is very easy: Call the School/Community Relations Liaison person, Shannon Whitaker at (815) 754-2293 or email her at: shannon.whitaker@dist428.org. She can answer questions regarding the program and guide you through the process of getting involved.

Many personally rewarding experiences await you when you become involved. Volunteers can participate in programs ranging from running the incentive store for students at DeKalb High School, to middle school reading and math tutors, to sitting with an elementary student reading or listening to them read. Opportunities like helping with special events exist and only require participation just a few times during the school year. Some volunteers may want to participate as often as every week if they prefer to mentor or tutor children.

You are welcomed whether you choose to volunteer once a semester or every week. What and how much is your call entirely.

So for a really “FEEL GOOD EXPERIENCE,” call to see how you can help.

Update Your Contact Information!
Please notify the NIUAA when your address changes by e-mailing or calling Lee Ann Henry: annuitants@niu.edu, lhenry@niu.edu, or (815) 753-7406. If Lee Ann does not have your current e-mail address, please forward it to her. It will facilitate faster communication on matters of interest to annuitants from our local chapter or from SUAA in Springfield.

Although we continue to send “hard copies” of our newsletter to NIUAA members, we can contact you with “non-spam” information in a quick, orderly fashion if we have an e-mail address for you. We do not share our list with outside persons or agencies. If you do not currently have an e-mail address, you can get one free by calling the Helpdesk of NIU’s Information Technology Services at (815) 753-8100. They will set up a free email account for you as long as you identify yourself as an NIU Annuitant.
NIU Annuitant

May 2013

(UNAPPROVED) MINUTES OF THE ANNUAL MEETING, JUNE 6, 2012
Northern Illinois University Annuitants Association
Wednesday, June 6, 2012, 3:00 p.m.
Holmes Student Center, Sandburg Auditorium
To be approved at the June 5, 2013 annual meeting

Welcome and General Remarks: NIUAA President Jerry D. Meyer opened with an introduction and welcome. He noted the record number of new retirements of State of Illinois employees for the last two years, in great part due to all the political issues and drama associated with the state’s financial problems. That is why it is important to belong to the Annuitants Association, as united voices can make a difference. Jerry referred to some of the possible legislation that might (or might not) be passed in the future due to the State’s financial crisis and pension shortfall. The health insurance bill (SB1313) did pass in the spring, and Central Management Services will determine rates to be charged retirees, dependents and survivors, possibly by the summer or fall. It is of special concern that retirees least able to withstand further financial burdens be protected and have access to affordable health insurance. While no pension reform proposals have passed as yet, such legislation will undoubtedly continue to be revisited and discussed. If such legislation is passed, it will most likely be challenged in court regarding its constitutionality.

All of this speculation concerns not only current employees but current retirees who are already on a fixed income. It is important to keep abreast of what is happening and stay involved.

Approval of the Agenda: It was noted that Deborah Haliczer (Director of Employer Relations) will present for Dennis Davito (Manager of Insurance and Employee Benefits) due to his illness. With this change, the agenda was approved.

Approval of the June 11th, 2011 Minutes: Motion to accept, seconded, and minutes approved.

Recognition of Officers, Directors, and Members of Board of NIU Annuitants Association: President Jerry Meyer recognized Vice President and Legislative Representative Jim Lockard, Treasurer Doug Moore, Past Secretary Lisa Parts, Past President Linda Schwarz, Committee Chair for SUAAction Alan Voelker, SUAA Foundation and SURS Representative John Engstrom, Membership Chair Joe Koch, Benefits Chair Sherilyn Spear, University Advancement Liaison Lee Ann Henry, Public Relations/Events Chair Steven Johnson, Communications Chair Gary Gresholdt, Newsletter Editor Jerry Meyer, Directors Bill Blair, Joe Grush, Bill Lundberg, Margaret Phillips, Elaine Spencer, and Ralph Wallis, and Holiday Party Co-Chairs Bennetta Stearns and Marge Rey. Bennetta is also the Liaison with School District 428’s Intergenerational Volunteer Program. Bennetta is leaving as Director and will have to be replaced, but she is staying on the Board in a non-voting position serving on a couple of committees.

Treasurer’s Report: Treasurer Doug Moore reviewed the Schedule of Cash Receipts and Disbursements (listed in detail on the back of the Agenda). The information was for the time period of May 24, 2011 - May 26, 2012. Receipts included SUAA dues, interest income, and the holiday party.

Disbursements included expenses for the holiday party, meeting travel, newsletters, NIUAA coffee hours, membership, contribution to SUAA Foundation, and bus rental. The total resources as of May 26, 2012 were $27,126.28, which will be carried over to the new year. Motion to accept, seconded, and approved.

Membership Report: Committee Chair Joe Koch reported that the NIU Annuitants Association had (as of April) current membership of 1898; currently working members total 463, surviving spouses 41; 34 members died in the previous year.

Events Report: Events Chair Steven Johnson reported that the next coffee get together will be June 20th (Wednesday at 9:30 a.m.). Coffee hours are held at Barnes and Nobles throughout the year and advertised in e-mail and the newsletter. He described the various field trips and encouraged attendance and welcomed recommendations or requests.

Legislative Report: Legislative Chair Jim Lockard reported the highlights of the drama and difficult times in Springfield that continue although it can also be comedy at times and not much to look forward to. The financial situation is precarious especially with pension reform, cuts, health care costs, and the situation of the imbalance of revenue and expenses. Health care and pension costs continue to be a primary focus. In 2011 we were looking at the Mercer report (a detailed document to create a final plan regarding health care costs). This was developed to be used during some of the legislative sessions. Medicaid issues had to be looked at and some difficult changes were made. Senate Bill 1313 focused on health care reform passed and is supposed to take effect in July 1, 2012. It is not clear how premium rates will be determined since no details have been formulated. It is disturbing to think that the Director of CMS will decide what factors will be used, rather than the legislature taking the responsibility.

Thanks and applause were given to State Representative Robert Pritchard and State Senator Christine Johnson.
for voting no on the healthcare bill. Senator Syverson and Representative Sosnowski voted in favor of the bill. Although there has been much speculation, town hall meetings, hearings, discussions and votes, and interesting proposals on pension reform, nothing much has happened. The Governor also issued his own proposals but they didn’t emerge from committee. Senate Bill 1673 has been introduced, which would force current employees and retirees to choose between their current 3% COLA of and the state subsidy for health insurance. All of this will make it hard to hire employees especially since all employees hired since January 2011 are already under the Tier II system with a diminished retirement plan. There is still no provision or guarantee that the State will fund its obligation and stop the borrowing of pension funds to pay bills.

Filing of costly lawsuits could follow the passing of reform bills. Since the State has been in this fiscal mess for so long, it will not be an easy task to find common ground and solve these problems. HJR CA 49, a constitutional amendment, was passed by the legislature and will be presented to the public for vote on the November ballot. It would amend the Illinois Constitution by requiring that all legislation, ordinances, determinations, rules, and resolutions that increase public employee pension benefits receive a three-fifths majority vote of the governing body considering the proposal before taking effect.

Pension reform proposals will continue to be introduced, and time will tell what the bottom line will be. We need something fair, reasonable, stable for the long run, equitable, constitutional, and with a guarantee of State funding, or Illinois will continue to have severe fiscal problems. The equation is that revenue and expenditures have to balance. One answer might be to include an overhaul of the tax code of the State.

Stay informed to know what is happening in Springfield and keep your email address updated to keep abreast of legislation to get information quickly and efficiently. Join and encourage others to become a part of the Annuitants Association to keep it strong and growing. There are 200,000 possible SUAA members in all of Illinois, but there are only 15,000 actual members. Among all of the SUAA chapters, the NIUAA chapter has the largest number of current workers. Don’t be hesitant to communicate to legislators to let them know your views. Do your part, and we will come out of this as well as we can possibly hope to.

SORS Report: John Engstrom, SORS Trustee, thanked members who signed petitions to help him run for reelection. He will be on the board for another six years. He did not talk about the politics and benefits issues because others would. If bills do emerge, SORS is going to be a lot busier because of that and the processing of many new retirees. SORS has hired extra people to keep up.

Beginning July 1st there will be a turnover on the SORS Board of two new elected members (out of six) and three new appointed members. The good news on the legislative front is that both houses have appropriated the full contributions of $1.4 billion for SORS for the next fiscal year. Investment performance through March was pretty good at 2.4%. We were running close to 8% for a ten-year period, however, investment returns have turned south recently. Overall, performance has been solid over the years. The previous fiscal year, investment returns were 23.8%, but that probably is not going to happen again very soon.

Presentation of Candidates for Officers and Board of Directors: Two positions on the NIUAA Board are open. Ralph Wallis presented names and background information of two candidates: Sandy Jonker for the position of Secretary, and Clair Williams for the position of non-faculty Board member. Sandy recently retired as International Student Advisor from the International Student and Faculty Office. Clair is retired having started out as Internal Auditor, and, most recently, University Risk Management Coordinator in the Office of University Legal Services. Motion to accept nominations, seconded, and passed.

Presentation of Appreciation Award: Recognition and a Certificate of Appreciation was presented to Vice President of Human Resources and Compliance Steve Cunningham from the NIU Annuitants Association with sincere thanks and appreciation for his support of NIU retirees.

Introduction of Guests:

President Peters greeted everyone and gave an overview of what has been happening in the State and NIU. There have been numerous meetings with many different persons and entities involved with pension reform. Steve Cunningham and the President have spent a lot of time together regarding the pension discussions. The challenges facing this state and its responsibilities are enormous. Cuts in appropriations and financial uncertainty make the state a train wreck. Something has to be done. Cutting on the backs of those who have worked hard and paid into the system is morally reprehensible. Medicaid reform is necessary but will also hurt many programs and people. Bond rating agencies, such as Standard and Poor, are watching pension reform carefully and indicate the State of Illinois is on their watch list.
Solving the state’s financial problems will require shared risks. It should be remembered that lifelong university employees will not be able to collect Social Security, which adds to the worry. How the current fiscal crisis happened is reprehensible. The State did not pay in its share of pension funding as required. In contrast, employees never missed a payment.

It is important to have an active annuitants group to get the word out on all the critical information, as it really makes a difference. While the governor’s working groups are trying to find a durable solution but there is no optimal answer. The state’s university presidents are supportive of a phased-in approach to shifting part of pension costs to the campuses. Universities would have to phase in the cost shift over time to accommodate it. Otherwise, tuition would have to be raised too high too quickly. Schools also don’t want general revenue cut although that likely will happen. In order for such a plan to work, we would have to apply consistency among the school districts, community colleges, and universities and would all have to march together on such a plan.

The presidents have opposed reform legislation placed on the table thus far and sent a letter to the governor regarding their opposition to the cutting of core benefits for current employees and annuitants. Negotiations and rationality need to continue and any equitable plan must guarantee that the State puts in its fair share of pension funding. Any reductions to benefits must be limited and achieved over a reasonable length of time. It’s hard to be optimistic, but please stay involved.

Regarding exciting things at NIU, Gilbert Hall is being renovated and will be put back in service as a residence hall. Eighty-five beautification projects continue in addition to basic deferred maintenance. The renovation of Cole Hall has risen like a Phoenix with flexible, state-of-the-art technology incorporated in student academic spaces and a beautiful Anthropology museum constructed. A new atrium with glass looks out to the wonderful memorial to those students who died on February 14, 2008.

We’ve had some issues with enrollment here largely from the perception that we’re a high crime campus. This because of two or three incidents, but NIU is a safe place. So far this year it looks like there should be a very robust enrollment. As part of Vision 2020 we will have the capacity as well as something significant to offer the next generation of students. We hope to see enrollment grow to 30,000 students by 2020. In that way we will be able to sustain ourselves given the basic assumption that we can’t rely on adequate state funding. Relative to the marketplace, our tuition and fees is still a good buy.

Thanks to all of you for the contributions you have made to build this great place. We will continue to fight for your benefits and pensions. God Bless all of you.

Vice President of Human Resources and Compliance
Steve Cunningham: Thanked the association for the certificate of appreciation. He indicated that it is a shared honor with President Peters and many others for years of work, especially in the last six months as the issue of the pension funds had to be looked at. Thanks to State Senator Christine Johnson and Representative Bob Pritchard for their service in regard to the concerns of university workers and retirees. There have been numerous meetings in the past to discuss the sustainability of the pension funds and possible solutions. Steve referenced the various bills that have already been discussed such as:

SB1313 passed (Health Insurance costs for retirees) with CMS being the rule-making authority in determining premium rates in the near future.

HB4996 passed, which involves re-employment of retirees. It sets financial conditions on the University for retirees who are employed for more than 18 weeks in an academic year and earn more than 40% of their previous salary. This will be effective in August 2013.

HJR CA 49 The proposed constitutional amendment passed by the Legislature and to be included on the November ballot (previously covered by Jim Lockard).

SB1673 being considered, would require Tier I active employees and retirees to make an election between two options. Choosing Option 1 would elect a reduced and delayed Cost of Living Adjustment (COLA), however, previous COLA increases received would remain unchanged. Those electing Option 1 would be eligible for retiree healthcare and future increases in pay would increase pensionable earnings. Choosing Option 2 would reject the changes in the COLA as provided in Option 1, but retirees would not be eligible to participate in the retiree healthcare plan and future increases in pay would not be counted towards their pension. Also, includes cost shifting from the State back to institutions.

SB512 would maintain existing benefits but requires higher contributions by employees.

Tier II affects employees hired since January 2011 and makes changes to their retirement benefits that will not be the same as Tier I.

He noted that pension problems can be solved but it’s not going to be easy. Information sharing will continue to keep everyone informed as we go forward. Steve expressed his thanks for all the work that has been done by many, and asked for continued support on these issues.
State Senator Christine Johnson: As an NIU grad, Senator Johnson is very appreciative of representing and supporting the NIU community. Thanks to President Peters and Vice President Steve Cunningham as they have been very helpful in her work in the Senate. She also appreciates all the help and information she has received from key persons regarding pension issues and possible solutions.

She mentioned information such as: Illinois is ranked 47th in the nation in the rate of job growth for the last decade; we are consistently among the top 10 with the highest unemployment rate. The March 2012 unemployment rate for the state was 8.8%, which is above the national rate. Only three other states in the union lost more jobs than Illinois last year. Even with the tax increase, unpaid bills still exist and the state is in dire financial shape as state debt and deficit spending continues to rise. The state is obviously being watched by rating agencies to see what will be done. Questions have been raised as to what happened to the $7 billion in increased taxes. A significant portion ($4.1 billion) was used for the state’s FY12 pension payments and other expenditures.

Senator Johnson referred to some of the legislation that has evolved and is under discussion. Some involved cost shifting to universities and schools, which was not popular. Retirees are facing a triple threat from health care expenses rising, possible COLA cuts, and higher property taxes. Despite all the meetings and sessions, it has been difficult to come up with a plan that will help the situation and pass, as reforms need to be fair, constitutional, affordable, and sustainable. Legislators have received many calls, emails, and faxes and they do listen and are trying to come up with fair solutions to fix the challenges in Illinois.

Senator Johnson served on the Medicaid task force, which has been trying to initiate reform in this area because of a $21 billion Medicaid shortfall with a substantial amount of unpaid bills. Reform bills have been passed and are expected to reduce Medicaid liabilities, including closing credit card spending by the Governor’s office. Reform has been passed which reduces abuse and fraud in Medicaid. For example, it was discovered that 6% of users no longer lived in Illinois. Part of the problem is presumptive eligibility (benefits given before checking) and state agencies not always checking eligibility and income. These types of processes will be tightened up so that the truly needy will get help. Past benefits have been very generous, and these reform measures should take Illinois down to the national average of what other states provide. Since hospitals must provide free care to low-income patients, Medicaid recipients will be encouraged to use health care providers, not a hospital setting, which is much more expensive. With these changes she is optimistic the Medicaid problems will get better.

She expressed appreciation and thanks for all the support she has received during her term.

State Representative Bob Pritchard: Since the annuitants meeting had already gone on a long time, he promised to be brief. He indicated that he has an electronic newsletter to keep everyone (who provides an email address) informed of legislation issues and perspectives. He has received much feedback on these challenging issues and he wants to assure everyone that he and legislators are trying to stabilize and slow down some of the crazy ideas in Springfield and it takes time to work through issues as things continue to change. Illinois is not unique and other states are also going through some of the same problems. As the crisis has been going on for quite a long time it will take time to fix. Since the Legislature and Governor did not provide adequate pension funding for 40 years, current legislators will have to act more responsibly on these matters.

He realizes how important this is to all state employees who, he noted, should not be targeted with unfair changes. Representative Pritchard is trying to work with leadership for the interests of state employees. He expressed his appreciation and thanked everyone for all they have done.

Motion to Adjourn: Moved and seconded to adjourn the meeting. Motion passed by acclamation. Adjournment: 5:05 p.m.

Respectfully submitted,
Sandy Jonker, Secretary
Lifelong Learning Opportunities at NIU for Retirees

“Just when I thought I was out, they pull me back in...” So says Michael Corleone in the classic movie, The Godfather, a statement uttered by countless retirees. For many entering this new phase of life, while examining and exploring options, the choice is to willfully retain some connection to our previous environment. Others seek new venues in which to participate, whether it’s pursuing new and old hobbies or avocations, travel plans, or other long put-off interests, balancing the comfort and security of our family and friends while seeking out answers and adventures.

The Lifelong Learning Institute (LLI), offered through External Programming in the College of Liberal Arts and Sciences, allows those persons age 50 or older from any walk of life to choose either course. LLI serves as a venue for sharing ideas, opinions, and experiences, answers many of the questions we face at this stage of our lives, and offers us the opportunity to pursue new areas of interest.

It offers weekly sessions throughout the year in which a wide array of topics are examined and explored, ranging from archeology to science, philosophy to travel, local history to classical music, current events to great movies. LLI’s offerings are organized into four annual sessions. Fall and spring terms are eight weeks while winter and summer offer four-week classes. It is a volunteer-led program; all course conveners are volunteers who may be sharing professional expertise or love for a hobby or an interest in learning something new.

Life is a highway for learning on which the journey, not the destination, is the real reward. Take this opportunity to make or renew friendships, exchange ideas, explore the possibilities, and enjoy new experiences. Come join us. It’s an offer you shouldn’t refuse.

For more information including upcoming specific opportunities visit our website at www.lli.niu.edu or email niulli@niu.edu or call 815-753-5200.

Some Websites and E-Mail Addresses of Interest to NIU Annuitants

NIU Annuitants Association Website: www.niu.edu/annuitants/
State Universities Annuitants Association Website: www.suaa.org

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Attorney General Lisa Madigan. (e-mail through her website):
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In Memoriam
Ilene Brown
Elizabeth Chambers
Maylon Davis
Ruth Englemann
Eugene James
John V. O’Meara
Lucien Stryk
Ronald J. Wolford
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