President’s Report

Welcome to the first issue of The Annuitant for the 2014-2015 academic year. As I reported to you a year ago, NIUAA is the second largest chapter of the State Universities Annuitants Association (SUAA), behind only the University of Illinois Urbana-Champaign chapter. We are within striking distance of hitting the 2000 member mark, which is an important milestone that will give us one additional vote on the SUAA Board of Directors. Please help us pass that 2000 member mark by encouraging friends and colleagues who are not NIUAA/SUAA members to join now. There has never been a more important time to band together to fight for our pensions and benefits. The Legislative Report provides a recap of what has happened in the courts regarding healthcare benefits and possible implications for the lawsuit against the pension “reform” law. Both are critical issues for you, our NIUAA members, but also for all our colleagues, whether retired or actively working. They all need to join us in the ongoing fight to preserve our benefits. Read more about our efforts to increase our numbers in the Membership Report in this issue.

I have included a report on state-sponsored healthcare options for Medicare-eligible retirees for 2015, but I hope you will have already made your choice by the time you read this newsletter. If you are happy with the plan you chose last year, you do not need to do anything, as you will remain in that plan by default. If you want to change your choice, or if you are newly eligible for the state plans, then you must take action before November 15.

With changes swirling about us on both the healthcare and pension fronts, it is more important than ever that you stay as informed as possible about these issues. From a practical standpoint, the only way to do so is electronically. SUAA emails important mini-briefings on topics that affect us all. NIUAA also uses email as the only cost-effective and, more importantly, timely way to share information with you. It is vital that we be able to reach you by email, if at all possible. Mailings are simply too costly and too slow to be effective when things are changing rapidly.

If you received the print copy of this issue of The Annuitant, but you do have an email address, please send a message to me (jalockard@gmail.com) and I will be sure your record is updated. If you do not provide an email address, you will continue to receive future issues of The Annuitant in print. However, I urge you to make contact with one or more NIUAA members who do receive our emails and ask them to share the information they receive with you. If you already receive our emails and you know other members who do not use email, please reach out to them and offer to share information as you receive it.

Finally, let me remind you that membership in NIUAA includes many special benefits and opportunities, as noted on the web at www.niu.edu/annuitants/benefits/. Among them are frequent cultural travel opportunities and fun social events, including periodic coffee hours at locations in DeKalb and the annual NIUAA Holiday Party. This year’s Holiday Party will be on Wednesday, December 3, at Faranda’s Banquet Center in DeKalb. Formal invitations will go out soon. I hope to welcome you all at this annual time for fun, good food, and visiting with friends whom you may not see often.

I trust 2014 has been a good year for you and your family and, on behalf of the NIUAA Board, I wish you all a very happy holiday season and a safe and healthy 2015.

Jim Lockard
NIUAA President
Legislative Report

by Jim Lockard
Legislative Chair

As I write in mid-October, our legislators are in high gear in their efforts to gain re-election and therefore they are not in session in Springfield. Now we await Election Day, which this year has no items of potential impact on public employees, unlike the proposed Constitutional amendment of 2012. The outcome of the contest for governor well could have implications for us in the future, but just what form they may take is only speculation at this point. Republican candidate Rauner has offered some specific ideas on pension reform, but if elected, his ability to implement them through the General Assembly is far from clear since both chambers seem certain to remain firmly in the hands of Democratic lawmakers. If Governor Quinn is returned to office for another term, we may assume his past actions offer some general idea of his intentions, including a willingness to support cuts to public employee benefits, but he has been notably silent during the campaign on our issues.

After the election, we anticipate the usual end-of-year Veto Sessions of the General Assembly (with 60% required to pass a bill), and a “lame duck” session in early January when members who chose not to seek reelection or were defeated still hold their seats for a few days. What, if anything, happens during those sessions may well be determined by the outcome of the election. Another factor is recent court decisions regarding our benefits and potentially further decisions this year.

You are most likely already aware of the current status of lawsuits against the imposition of healthcare premiums for retirees and against the pension reform law, so I will provide only a brief recap. If you have questions that I did not answer, just send them in an email message to jalockard@gmail.com and I will be happy to respond as best I can.

On healthcare, most retirees long enjoyed lifetime healthcare coverage at no cost, provided they retired with at least 20 years of service. Those with less service were charged a premium based on their years of service. This healthcare benefit was effectively nullified in 2012 by SB1313 that directed Central Management Services to charge retirees some premium to be determined. Premiums were, in fact, deducted from pension payments beginning July 1, 2013.

This law’s constitutionality was challenged and the legal process began to take its course. Long story short, on July 3, 2014, the Illinois Supreme Court (ISC) ruled in the Kanerva case that the law was largely unconstitutional. SURS ceased to deduct healthcare premiums with the October 2014 pension payment and members should receive a refund of premiums paid since July 2013 some time in 2015.

The essence of the ISC decision was a very clear statement that healthcare benefits are protected by the Illinois Constitution and, in its words, may not be “diminished or impaired.” Charging premiums clearly diminished this benefit and was therefore unconstitutional. Many observers, including the most vocal supporters of attacks on public employee pension benefits, believe this decision also sounds the death knell for the pension reform law, commonly referred to as SB1. The reasoning is that the ISC has strongly reinforced the clear meaning of the pension protection clause of the Illinois Constitution in the case of healthcare benefits. SB1 clearly diminishes pension benefits, therefore it seems likely to be ruled unconstitutional as well if the lawsuits reach the ISC. For now, the action remains in Sangamon County where Judge Belz is hearing the case.

In early October, the state (i.e., the Attorney General or her staff) filed two briefs with Judge Belz. The first argues that the state legally can diminish pensions using its sovereign or “police powers.” Essentially, this claims the state can override the Constitution for the greater good, as perceived by “the state.” The second brief attempts to establish a factual basis for applying these police powers, that is, that the state’s finances are such a mess that they constitute an emergency so great as to justify overriding the Constitution.

At an October 8 hearing, the judge instructed attorneys for the plaintiffs (that includes all of us) to respond to the first brief by October 31. He did not set a date for responding to the second brief because he deemed the first argument, the legal question, to be “dispositive.” That means a ruling in favor of us, the plaintiffs, would end the case at his level and there would be no need to argue the second brief. The judge also directed the plaintiffs’ attorneys to address the matter of “severability” in their responses, which is the question of whether the pension reform law can be separated into parts, such that some might be declared unconstitutional while others might be left to stand.
Judge Belz will hear the plaintiffs responses on November 20, so watch for news reports. He has indicated the case before him will be decided by the end of the year. However, that timeframe seems likely only if he does find for the plaintiffs, which is perhaps what he is implying. If he should rule that the state’s police powers are sufficient to override the Constitution, then plaintiffs will have to respond to the state’s second brief regarding the scope of the perceived emergency. That path seems likely to stretch out well into the new year, as best I can tell. Regardless, whenever Judge Belz issues a ruling, he will open the way for the case to move to the Illinois Supreme Court, since the losing side will most certainly appeal.

In its mini-briefing on the events of October 8, SUAA noted the following: “The [Belz] Court’s comments today leave us optimistic, but also remind us that there remains considerable work to do. This case is not over and we cannot necessarily rely on the Supreme Court’s decision in Kanerva to carry the day.” The mini-briefing ends with another appeal for contributions to the SUAA Legal Fund, which may be made in various ways as explained at www.suaa.org/ContributeToLegalFund.php

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**Holiday Buffet, Wednesday, December 3, 2014**

**REMINDER:** The NIU Annuitants Association annual Holiday Buffet will be held Wednesday, December 3, at Faranda’s Banquet Center in DeKalb. A formal invitation including costs of the Holiday Buffet will arrive in November. We hope to see as many NIUA members at the party as possible. It is always a pleasant opportunity to see old friends and colleagues.

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**Healthcare Report**

by Jim Lockard  
Legislative Chair

If you are among the large number of retired members who are participants in Medicare, your state-sponsored healthcare plan such as Quality Care (administered by CIGNA) for your Medicare Supplement changed on February 1, 2014, with a few exceptions. Central Management Services (CMS) has dubbed the new program TRAIL for Total Retiree Advantage Illinois. If you were affected by the new TRAIL program for 2014 and are satisfied with the choice you made last year, you do not need to do anything now. You will continue in whatever plan you currently have and need not read further. If you are new to TRAIL for 2015 or you want to change your current choice, then read on.

For calendar year 2015, the Trail Open Enrollment period (essentially, “Benefits Choice”) runs from October 15 to November 15, 2014. If this applies to you, you should have received print materials from CMS by the time you read this report. If you did not receive materials, please call SURS (not CMS) immediately (800-ASK-SURS or 800-275-7877) and ask for a packet. Information about the program is available online at www2.illinois.gov/cms/Employees/benefits/trail/Pages/default.aspx, but if you are new to TRAIL, enrollment forms are not available online. You must get them from SURS.

For those new to TRAIL, the state chose to remove Medicare-eligible retirees from the Quality Care and other state plans and require them to enroll in one of several Medicare Advantage (MA) plans if they wish to continue to receive healthcare as a state benefit. No one is required to choose one of the MA plans; the other option is to decline the state benefit, continue in traditional Medicare, and purchase private supplemental coverage. Your choice of HMO programs is dependent on your county of residence, while the plan most similar to the old Quality Care program is a Preferred Provider Option (PPO) offered by United Healthcare. An HMO option now exists in every county in Illinois. Retirees preferring the PPO as well as anyone living out of state would select the United Healthcare option.

Details of the available MA plans are too complex to provide here, so please refer to your printed documents or the CMS web site. For those who were affected by this change last year, the Open Enrollment period is your one annual opportunity to change your current choice. You may opt out of state coverage and return to traditional Medicare or if you opted out last year, you may enroll in one of the state options. Either change would be effective January 1, 2015.
Report from State Universities Retirement System (SURS)

by John Engstrom
SURS Representative

There is a lot of news to report from SURS. I attended a meeting in Champaign September 18-19. Bill Mabe, Executive Director, announced his retirement effective March 31, 2015. Bill has been an excellent Executive Director, in my opinion, and has accomplished most of the goals he set when we interviewed him several years ago. I am on the search committee to find a new Executive Director, and we will begin work shortly. See the SURS website for details.

Trustee elections will be held next April to replace one annuitant and two active Trustees. If anyone is interested in running, candidate packets will be available beginning October 1 this year from LKern@surs.org. Details are available from the SURS website. My term ends in July, 2018.

The healthcare deduction for those of you in the Medicare Advantage plan should have ended in the check you received on October 1. The reimbursement for past collections cannot be made until a court order is issued, which will most likely be on November 21. According to a CMS spokesperson (Springfield, The State Journal-Register, 9/21/14), funds are available in a Health Insurance Revolving Fund to make those payments.

SURS continues to have good investment returns. The overall return for the fiscal year ended June 30, 2014 was 18.2%. The three-year return rate was 10.1%, the five-year return rate was 13.7%, and the ten-year rate was 7.8%. For July and August this year, the rate has dropped to 0.8%.

Regarding the defined contribution plan, we heard presentations at the last meeting from TIAA/CREF and Fidelity. Both were continued, but staff has negotiated lower fees from both— the savings will go to the members.

Senate Bill 1961, passed last year, removed authority from SURS to hire outside counsel to deal with litigation matters, and gave that authority to the State Attorney General, Lisa Madigan. This includes the defense of SURS in the pension reform legislation litigation. Inside counsel, when representing SURS, will be Special Assistant Attorneys General when permitted by the State Attorney General.

Recently, our investment advisor completed an asset-liability study, resulting in some planned changes in our asset allocation policy. We are moving ahead in creating new investments in emerging debt and commodities. We are at an earlier stage in moving toward investments in hedge funds, which our staff and advisors believe will reduce our risk in the event of a downturn in the stock market. The other state pension funds have been invested in hedge funds for some time.

I continue to enjoy my service as trustee of SURS. I continue to serve as the audit committee chair and to serve on the administration committee and the board governance committee. Thank you for your continued support.

If you have any questions, feel free to email me at JEngstrom@niu.edu.

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 members of our local chapter or from SUAA in Springfield.

Although we will continue to send “hard copies” of our newsletter to NIUAA members without email addresses, 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.
University Benefits Committee
by Sherilynn Spear
Benefits Chair

The University Benefits Committee has had two meetings since the beginning of Fall semester. The first meeting was largely organizational in nature while the second was more substantive. It is, of course, important to remember that the Benefits Committee is primarily focused on issues of current employees. The role of the NUIAA representative is to gain information from and provide information to the committee as well as to sensitize the committee to the potential impact committee decisions or recommendations may have on current and future annuitants.

The committee set three priority areas for the upcoming year: 1) morale, 2) pensions, and 3) improving communications with various groups of stakeholders. In regard to item “3,” there was a good deal of discussion about finding better ways to communicate with various groups within both the current employee and the annuitant’s constituencies. Much of this discussion focused on recognition that not all individuals have the same access to or comfort with electronic communication nor are they likely to seek or receive information from the same sources. While the committee drew no conclusions, the communications challenge will be targeted in future meetings.

Finally, it was noted that the Fall benefits choice period as well as the continued uncertainty about pensions may lead annuitants to seek additional information from NIU’s Human Resources Department. However, it is very important to recognize that employees of NIU’s Human Resources Department (HR) are not empowered to respond nor do they have the information necessary to respond to annuitants’ questions regarding health care coverage or pension issues. HR has no choice but to refer annuitants to another source of information. In terms of healthcare questions, if you are an annuitant and you have maintained coverage with the State of Illinois, please remember that all of your questions regarding health insurance need to be directed to the State Universities Retirement System (SURS) at 1-800-275-7877. Even though you are a retiree from NIU, as a SURS annuitant, the NIU Insurance Office no longer has access to your file and is limited in their ability to assist you.

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 2014-2015 Events:
November 26: Camelot, Drury Lane
December 3: Holiday Luncheon, Faranda’s Banquet Center in DeKalb.
December 6: Chicago Shopping trip ($20.14)
December 29 - January 6: Rose Bowl Parade and San Diego Sunshine trip
January 12-23: Polar Vortex escape Caribbean Cruise
February 8-14: New Orleans (Mardi Gras) and World War II Museum ($599)
March 7-15: Miami and Key West ($795/NIU spring break trip)
March 18: West Side Story, Drury Lane
March 19: Chicago Flower & Garden Show
April 9-15: Washington, DC and Cherry Blossom Festival
April 30-May 5: New York City ($599)
June 13-27: Alaska and the Yukon
July 20-24: Stratford Festival of Canada

For information/reservations, contact Steven Johnson at sjohnso11@niu.edu.

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.
Lifelong Learning Opportunities at NIU for Retirees

by Brian Fulton

Even though I was briefly employed by NIU during my undergraduate years, I am not an annuitant, merely a proud alumnus. Nevertheless I have remained “connected” and have many friends and acquaintances who are or were associated with the university at all levels.

Which is why I proffer these thoughts regarding the Lifelong Learning Institute. Upon retirement, after forty plus years in the private sector, I was given the opportunity to participate in LLI’s wide range of discussion groups, guest lecturers, and frequent field trips.

While I consider myself an informed person with an interest in a variety of subjects, it is often difficult to easily accommodate those interests. Now due to the association with the NIU LAS External Programs Office, the Lifelong Learning Institute has provided an outlet to any and all interested seniors for continued exploration and discussion time on an array of topics.

As the LLI continues to grow with new attendees from both the public and private sectors, I am pleased, but not surprised, to find new friends who also appreciate being given a venue to share their interests and stories, seek new experiences, quench their curiosities, and make or renew friendships.

If history, photography, senior finances, health issues, travel, current events or myriad other topics have an appeal, join us at the Lifelong Learning Institute and expand your horizons.

For further information, go to either www.LLI.niu.edu or NIULLI@niu.edu.

Membership in NIUAA

Co-Chairs Cathy Cradduck and Pat Vary met with Jim Lockard to plan our strategy for reaching our goal of 2000 members this year. In the SUAA September report, NIUAA members totaled 1881. Just over 100 more needed! We are planning several initiatives to retain current and recruit new members. To retain members, we plan to target those who are still working through the Operating Council Newsletter and SPS social get-togethers. For faculty, we plan to place fliers in Department offices. We have attended NIUAA coffees, had a booth at the Wellness Fair, and talked about membership to captive audiences on buses on the way to wonderful outings planned by Steven Johnson.

We have tried to stress that increased numbers give us a more powerful voice in Springfield at a time of pension crises. We hope to retain members with phone calls to all who have let their membership lapse. Carole Minor has volunteered to help with this.

For a kickoff initiative we would like to ask all members to “JUST ASK ONE”. Just ask one person to come to an event and/or join NIUAA. Guests are always welcome and we hope they will become active members.

For information on the benefits of being a member, please check out www.niu.edu/annuitants/aboutus/

You get this Annuitants Newsletter three times a year, join friends at the annual meeting and dinner, the holiday luncheon and information on many small and major trips with fellow annuitants. You have access to the NIU Library and Credit Union, can obtain tickets for athletic events with the same fees as faculty and staff at tickets@niu.edu, take classes for free, and much more. Check it out!

For those of you who are just retiring or have recently retired, we need to remind you that dues deduction does not switch automatically from payroll to pension payment. If you wish to make your dues payment almost painless, sign up for automatic deduction from your pension. You can do this by contacting Lee Ann Henry, University Advancement at lhenry@niu.edu or 753-7406.

For further information, go to either www.LLI.niu.edu or NIULLI@niu.edu.
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

Representative Bob Pritchard: 70th District Office
2600 DeKalb Ave., Sycamore, IL 60178
Phone: (815) 748-3494
e-mail: bob@pritchardstaterep.com

Representative Tom Demmer: 90th District Office:
1221 Currency Court, Suite B, Rochelle, IL 61068;
Phone: (815) 561-3690, Fax (815) 561-3691;
Springfield Office: 222-N Stratton Office Building, Springfield, IL 62706,
Phone: (217) 782-0535
email: rep@tomdemmer.com.

Senator Dave Syverson: 35th District Office:
200 S. Wyman St., Suite 302, Rockford, IL 61101,
Phone: (815) 987-7555
e-mail: info@senatordavesyverson.com

Governor Patrick Quinn. (e-mail through his website):
www.illinois.gov/gov/contactthegovernor.cfm

Attorney General Lisa Madigan. (e-mail through her website):
www.illinoisattorneygeneral.gov/about/email_ag.jsp

John Cullerton, President of the Senate: John@senatorcullerton.com
Phone: (217) 782-2728 or (773) 883-0770

Michael J. Madigan, Speaker of the House: mmadigan@hds.ilga.gov
Phone: (773) 581-8000 or (217) 782-5350

In Memoriam

Since the May 2014 Newsletter, the university has received news of the deaths of the following Association members:

Gordon W. Bird
John Bradshaw
George R. Carr
Darwin Casler
John C. Comer
Patricia Dahlberg
Sabika S. Daudi
Patricia Etnyre-Zacher
Jeanette M. Kuhn
Jeanne H. Miller
Virgil D. Moore
Constance E. Nissen
Helen Reinemann
Ole Schjeide
Thomas D. Strausberger
Please Note: Voting members of the NIUAA Board include all officers and those listed as Directors.