

UJBC 9/25/12

Due to the lack of a quorum, no chair was elected for 2012-2013, and this was an informational meeting only.

Mary Nippe reported that 1) SURS will be on campus Oct. 23-25 for individual retirement appts. There are still openings available, and the deadline for making an appt. has been extended to Oct. 5. 2) A general retirement session will be held on Oct. 23 at 2 p.m. at the Law School Auditorium. 3) Flu shots will be given on Oct. 16 (last names A-M) and Oct. 23 (N-Z) from 8:30-5:30. 4) Current insurance providers have been awarded emergency contracts thru June 30. 5) HR is implementing online self-service for employees, with a target date of Nov. 1. Viewable pay statements and W-2s will be available initially, and expanded offerings are planned to follow.

Discussion turned to HB 4996, the "Return to work" bill (now PA 97-0968). The 18 week/40% rule takes effect beginning Aug. 1, 2013. Mary said that once a person becomes an affected annuitant, he or she remains an affected annuitant. One problem is that because the 18 weeks are cumulative, one institution may not know that the person was employed by another institution and thus, the subsequent employing institution would be the one getting the bill for their annuity. There needs to be sharing of information among the institutions so each would know if the "clock" had already begun on that person. Asking these questions of an applicant could be problematic as it may be considered age discrimination. Regarding the 40% of highest earnings, Mary said that the highest earnings figure is stated in the SURS award letter.

SB1313 (now PA 97-0695) was also discussed. CMS won't know what the premiums will be until at least Nov., and more likely Jan. or Feb. Nothing can happen on this until the AFSCME contract is settled. Length of service and ability to pay will be determining factors in each person's premium. The governor's office will not say that this won't be retroactive to the effective date of the bill (July 1, 2012). SURS Executive Director Mabe is fighting for it not to be made retroactive. The state currently owes \$1.4B in unpaid health claims.

Kim Kavish reported from Springfield that SURS counselors are visiting their campus Oct. 30, and their slots are almost filled. In addition to the large hit they took with many employees choosing retirement recently, they are also losing people to "merit transfers" to other state agencies, where the employee is invariably offered a higher salary. She also said that the state has tightened up the rules regarding when one state-employed spouse can be the dependent of another state-employed spouse. People were finding ways to work around the rules in order to pay lower premiums, but the state now has stricter rules with regard to this situation.

Bruce reported that SUAA has been putting a lot of effort into defeating CA 49, which will appear on the Nov. ballot. SUAA is considering taking out ads in all the college newspapers the day before the election. Bruce pointed out that we really don't know what Clause 2 means nor what its full implications would be. The amendment compromises the pension protection of Article XIII, Section 5. He distributed an informational sheet that he created, and that SUAA has been distributing statewide (see attached). Over 7000 groups in Illinois have "governing bodies" that would be affected by this amendment. It appears that the "governing body" for the universities is the General Assembly. He reminded the group that the cost to put this initiative on the ballot will be \$70M, not to mention the cost of the inevitable lawsuits to follow.

Bruce pointed out that Jan. 9, 2013 will be the last meeting of the current GA (a.m. session) and the first meeting of the incoming GA (p.m. session). It's entirely possible that we could see pension changes happen that afternoon.

The 2012-13 meeting schedule for UJBC was set as follows: Nov. 27, Jan. 29, Feb. 26, Apr. 30, Jun. 25, Sep. 24.

Respectfully submitted by Karin McClure

Reasons to Defeat Constitutional Amendment 49

(Written by Bruce C. Appleby, member of SUAA CA49 Committee and Executive Committee, with input from members of both committees.)

Upcoming legislation pending in Springfield can have dire consequences on our current pension system (SURS) and on community college employee/retiree benefits. Two different pieces of legislation, that have either passed or are on the docket, pose changes to our current pension and benefits that could impact current employees and retirees in not only their pensions, but also the annual cost of living increases and the health insurance benefits that have been promised to this group for fulfilling their contractual obligation with the state of Illinois and community colleges.

These issues are complicated and those of us affected cannot sit back and be complacent and expect it to all work out in our best interest. *We are under attack*, like never before, by a majority of powerful legislators who control the way things roll in Springfield and by an uninformed and unsympathetic private sector. This should get your attention and your support in helping to defray further erosion of what we have paid for and earned.

The following chart illustrates the impact the proposed Constitution Amendment (CA 49) can have on our current system. Following the chart is a discussion of the other piece of legislation that could also have a direct impact on our system and benefits.

<u>CURRENT LAW</u>	<u>Constitutional Amendment (CA) 49</u>	<u>Implications on our current pensions and benefits</u>
Article XIII, Section 5 of the Illinois State Constitution (the constitutional article where our pensions and benefits are guaranteed), states:	Constitutional Amendment (CA) 49 is an addition to Article XIII, Section 5 and becomes Article XIII, Section 5.1. It thus appears to limit Article XIII, Section 5 and to take precedence.	
Membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.	Clause 1 of CA 49 states: No bill, except a bill for appropriation, that provides a benefit increase under any pension or retirement system of the State, any unit or local government or school district or any agency thereof, shall become law without the concurrence of three-fifths of the members of the General Assembly.	If CA 49 passes, we could, down the road, possibly lose the constitutional protection we have of our current pensions and benefits.
	Clause 2 of CA 49 states: Nothing in this Section shall prevent the passage or adoption of any law, ordinance, resolution, rule, policy, or practice that further restricts the ability to provide a "benefit increase," emolument increase," or "beneficial determination" as those terms are used under this Section.	CA 49 creates a loophole for the General Assembly, leaving the possibility that the General Assembly could take away a benefit from state employees and retirees (under Clause 2) and could possibly take any action at any time and in any way that would restrict our pension and benefits, including our COLA.

Wading through the language that seems to purposely mislead and misdirect, it appears that Clause 1 says that a 60% majority of both houses is needed to increase any pension benefit of any unit of government in the state. Clause 2 appears to say that the General Assembly may take any action that restricts benefit increases, which would include the COLA (cost of living adjustment) or any other aspect of our pensions and benefits—at any time and in any way.

How will all this play with the potential passage of Senate Bill 1313, (the bill passed by both houses of the General Assembly which says university retirees now have to pay for their health benefits)? Then, there's the potential passage of Senate Bill 1673, which would force community college and university employees and retirees and others in the state pension systems to choose between retaining their existing 3% compounded COLA or access to employer health care plans.

For now, we have to concentrate on and put forth Herculean effort to defeat CA 49. All members of the five state retirement systems will be affected by this. There are more than 196,000 retirees in these systems and each of them, plus all their family members and friends, should vote to defeat CA 49. **More importantly, all current employees working in these systems, especially the Tier 2 members and new hires, will be much more directly affected by CA 49 than will those of us already retired.**

Talk to your family and all your friends. Let everyone you know that CA 49 must be defeated for your sake and for that of thousands of Illinois residents. Use the following points as you convince others to vote with you to defeat CA 49.