



MRSEA

Minnesota Retired State Employees Association

Summer 2008

Volume 1 Issue 3



BITS AND PIECES FROM PRESIDENT RUTH HUSOM

MRSEA held its annual meeting in May with good attendance, fellowship and food. Jason Davis from "On the Road" provided good entertainment for all.

Two new board members were elected, Sandra Hale and Lois Willock. Frank Dowzak and Gloria Johnson, long time board members opted to not seek reelection this year. Frank and Gloria received recognition plaques for their service from the board at the meeting.

Election of officers was held at the June Board meeting. The following officers were elected, Ruth Husom-President, Sally Olsen, First Vice President, Gene Gere-Second Vice President and Yvonne Ross Secretary. Lois Willock was appointed assistant Secretary/Treasurer. Also at the June meeting the board voted to hold a business meeting in August because they felt they needed more working time to accomplish goals set for 2008-2009.

The By Law changes that were published

in the spring newsletter were voted on and passed unanimously at the annual meeting.

A list of MRSEA activities and accomplishments for 2007-2008 was distributed at the annual meeting. For those of you who could not attend the list is published here.

Save the date: October 8, 2008 MRSEA's DAY TRIP TO NEW ULM, MN

The MRSEA Board has planned a tour of the 148 year old August Schells Brewery in Historic New Ulm. Lunch will be at the Kaiserhoff Restaurant and a short meeting to follow.

Plan on making a day of it and tour, on your own, the Rhein River Arts Center and other historical homes and buildings, the German-Bohemian Immigrant Monument and Library, the Brown County Historical Society and the Minnesota Music Hall of Fame Museum are available for you to visit if you wish.

Watch for more information in our fall newsletter and be sure to put Oct. 8th in New Ulm on your calendar.



Mission Statement

United to advocate for the well being of state retirees by:

***monitoring the deliberations of the legislature and the Minnesota State Retirement System Board of Directors; and responding as appropriate to promote , protect and enhance retiree interests.**

***providing educational information on state and national issues affecting retirees**

***maintaining working relationships with other retiree organizations**

***promoting social activities through local sub chapters and statewide meetings**

***advocating for the affordability of state retiree health and long term care benefits**

Editors Note:

Articles are contributed by MRSEA Committees comprised of board members, who are assigned to specific committees on an annual basis.

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MRSEA 2008 ELECTED DIRECTORS



Sandra Hale- Former Commissioner of Administration under former Governor Perpich. Sandra also served as an Associate Professor at the Metropolitan State University and is a member of TRA. Active in the arts, Sandra was the Chairman of the Guthrie Theatre and MN State Arts Board. Sandra is also a Fellow of the National Academy of Public Administration. Sandra's MRSEA committee assignments will be determined soon.

Robert Lundahl- Served in the Division of Rehabilitation Services (now Jobs & Training) for over 33 years and supervised the Duluth office for the last 27 years with the state. Robert was elected to the MRSEA Board in 2005. Robert is the current Chair of the MRSEA Publications & Communications Committee as well as the liaison to the Duluth Sub-Chapter of MRSEA.



Fred Maurer- Retired as Pavement Management Operations Coordinator with MN DOT. Serving also as Past President of the Minnesota Government Engineers Council. Fred has served in a leadership role for the Public Employees Pension Coalition (PEPC) since 1980. Fred has served on the MRSEA Board since 2003. Fred is the current Chair of the MRSEA Insurance Committee as well as the serving on Legislative Committee and liaison to the Mankato Sub Chapter of MRSEA.

Richard Mesenburg- Retired from the Department of Education. Richard joined the MRSEA Board in 2007. Richard is also on the Group Health and Health Partners Board, and Members Appeal Committee. Richard owns a Professional Consulting Firm and, serves on the MRSEA Legislative Committee and Chairs the Meeting and Planning Committee for MRSEA.



Lois Willock- Retired from DEED after 30 years working in the unemployment, job service and disability areas. Lois served on the State Master Negotiators Committee and co-chaired with DOER the State Consolidated Clerical Committee. Lois also was active with AFSCME Council 6 Leadership. Ms. Willock's committee assignments will be determined soon.

LETTER TO THE EDITOR

Q. There have been questions regarding why belonging to **MRSEA** produces benefit to retirees.

A. All of us understand that the effectiveness of any advocacy organization depends on its strength, as perceived by people in the political process.

When an organization is large and speaks with a unified voice they are heard. These are days when pension programs are under attack by some, and seen as dangerously underfunded by many. Our system is quite strong in its funding, and we need the involvement of everyone to keep it on track to serve future generations of retirees.

Please continue to support this organization as you have, and support your sub-chapter with your personal involvement.

Don't let a few carry the total burden.

*For further information please contact the **MRSEA** Business Administrator, contact information is on the front page.*





2008 Legislative Session Update

The amendments to the pension “Post Fund”, as recommended by the 3 governing boards (MSRS, TRA, & PERA) and supported by MRSEA has been enacted by the legislature and has become law. The legislature, in the closing days, passed the omnibus Pension Bill which contained the Post Fund provisions. The MRSEA legislative committee attended numerous hearings, testified in support of the bill, sent about 200 e-mails to legislators and had meetings with a number of legislators. This was the major piece of pension legislation for this legislative session; the legislature recognizes that nearly 130,000 retired public servants depend on the over \$2.5 billion annual payments from our pension system. Our focus on this legislation was, first and foremost, to assure that the long-term financial viability of the retirement system will continue for retirees and active employees. Additionally, we wanted to assure that pension benefits were optimized for retirees and that the system is fair and equitable.

So how will this affect you? You will not see any changes in the near future. You will continue to receive the same pension benefits that you have been receiving but we believe that the long-term strength of the pension program is improved. The legislation responds to 2 different scenarios: 1) a bear market (sustained declining financial market); and 2) a bull market (prolonged positive financial market). This is extremely important because the only source of income to the Post Fund is the investment returns. Under a bull market, the annual benefit increases remain fundamentally the same except that there is added inflation protection and the investment component of the increase is lost because it is unsustainable. Additionally there is an inflation equalizer that will allow some catch-up for the recent retirees that did not benefit from the more significant increases of the 90's and early 00's. For a bear market, there are provisions for merging the post fund and the active fund for each of the retirement systems (i.e. merge the active MSRS fund and the MSRS portion of the Post Fund and similarly for the other retirement systems). This will allow for an improved probability of the fund recovering without having to increase the pension withholding for active employees. For more detailed information on this legislation please go to the MSRS web site at www.msrs.state.mn.us or look forward to receiving the next MSRS newsletter which should have more detailed information.

Questions for Legislative Candidates

- Do you support at least partial exemption of public retiree's pension income from state income tax?

(Note: Only 4 states currently have no exclusions for public pension income and/or social security-Minnesota, Rhode Island, Vermont, and Nebraska. In Minnesota, public pension income was excluded from state income tax until 1987.)

- Do you support continuation of the Minnesota State Retirement System as a defined benefit program as it presently exists?
- Should public retirees on a pension be provided annual annuity increases to keep up with inflation and maintain retired public servant's purchasing power and quality of life?

(Note: Currently increases are limited to a maximum of 2 1/2% unless the fund has excess monies. The Legislative Commission on Pensions and Retirement policy is that public retirees should receive increases consistent with the rate of inflation.)

- Prescription drug costs are one of the biggest burdens on seniors today. Do you believe that congress should change federal law to allow Medicare to negotiate discount prices for prescription drugs with drug companies?

(Note: Current federal law specifically prevents Medicare from negotiating prescription drug prices and thus drug companies charge whatever they want.)

- Health care costs continue to escalate. Should public retirees have the ability to set aside a portion of their pension income or IRA Distribution into a health care savings account, which would be free from state and or federal income tax?

(Note: Currently public employees have the ability to do this but, once retired, they are no longer able to set aside a portion of their pension or IRA income in this manner.)

MRSEA

2007-2008

BOARD OFFICERS

Ruth M. Husom
President



Sally Olsen
First Vice President

Gene Gere
Second Vice President

Yvonne Ross
Secretary-Treasurer

Lois Willock
Assistant Treasurer

DIRECTORS

Donald M. Buckner

Terry Dempsey

Sandra Hale

John Kuderka

Robert Lundahl

Dennis Maki

Fred V. Maurer

Richard Mesenburg

Lyle Nelson

Peter Obermeyer



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- Actively attends the (PEPC) Public Employees Pension Coalition
- Actively attends MRSEA Sub-Chapter Meetings by sending a liaison Board member to meetings
- Actively attends and has an affiliation with State Retiree Council, and sends delegates to its convention
- Actively attends and has an affiliation with the Minnesota Senior Federation
- Actively seeks and maintains relations with State Agencies
- Donated \$250.00 to the Minnesota Southeast Flood Relief
- Donated \$250.00 to the I-35W Minnesota Bridge Collapse Fund
- MRSEA increased the Per Capita Reimbursement for Sub-Chapters from \$2.00 to \$3.00 per member
- MRSEA placed a radio ad on MPR to promote our organization
- MRSEA Insurance Committee is actively working on legislation to provide a proposal for Health Savings Accounts (HSAs) for retirees
- MRSEA purchased a new back up computer to assist in its continuing technology upgrade and to provide continuous service to members in case of its original computer going down
- The Technology Committee continues to plan and redesign the web site, which has been a long term goal
- The Publications Committee redesigned the newsletter and will continue to improve the newsletter
- The Publications Committee recommended and the Board approved new vendors to design the new and improved newsletter
- MRSEA continues to improve the Sub-Chapter Charter document created in June 2006 that established standardized communications and procedural guidelines for Sub-Chapters and the MRSEA Board
- MRSEA pays all postage and paper costs for all business meetings scheduled by Sub-Chapters
- The MRSEA Business Administrator now attends two meetings per year per Sub-Chapter to assist with concerns and issues
- MRSEA proposed changes to its governing documents that will make its membership more inclusive
- MRSEA held its first outstate fall membership meeting in Baxter, MN in October 2007

MRSEA 2007-2008 ACTIVITIES AND ACCOMPLISHMENTS THE MINNESOTA RETIRED STATE EMPLOYEES ASSOCIATION (MRSEA) HAS:

- Supported Congressional action to lift the ban that prevents Medicare from using its bargaining power to negotiate lower drug prices for seniors, which has been a long term goal and mission
- Supported the National Association of Retired Federal Employees Legislation for state tax exemptions by testifying and letter writing to legislators
- Actively attends and, when appropriate, testifies before the Legislative Pension Commission
- MRSEA testified at the Pension Commission hearing in support of the Post Fund Legislation
- Actively attended the Post Fund Committee Meetings
- Actively attends the MSRS Meetings

Minnesota Retired State Employees Association

SUMMER

FUTURE SUB CHAPTER MEETING DATES

Please contact the MRSEA Office Administrator at **1-877-487-0402**
 if you are not receiving your meeting notices



BRAINERD-	Sept. 18, 2008 12:00 AT Bonanza Restaurant, Baxter Peggy Hildebrandt Pres.
DULUTH-	July 23, 2008 Moose Lake City Park 1:00 pm potluck, Ross Anderson, Pres.
FERGUS FALLS-	Social Meetings first Tuesday of the month, next quarterly business meeting Sept. 2, 2008
NORTHWOODS-	Oct. 9, 2008 Akeley, MN
ROCHESTER-	TBD Fall, 2008 - Old Country Buffet Merton Rew, Pres.
SOUTH CENTRAL-	Sept. 8, 2008, 11:30 VFW Riverfront Drive Mankato, Bob Lamont Pres.
SOUTH WEST-	Sept. 25, 2008 11:00 AM at the Wood Nickel, Evelyn Henderson, Pres.
WEST CENTRAL-	TBD Fall 2008, Darlyne Pogose, Pres.

