RETIREE NOTES

Retirees from Sub-Chapter 59 gathered to support fair tax reform.

Chapter 31 members work to pass fair tax

The fair tax constitutional amendment (SJRCA1) passed the Illinois General Assembly in May. The measure—which will raise $3 billion in revenue by ensuring the wealthy pay their fair share—now heads to voters in the 2020 general election.

"Initially, many of my members had questions about the fair tax," said David Spinner, president of Sub-Chapter 87 which includes Christian, Macon, Moultrie, Shelby and Montgomery Counties. "As we began studying the issue, it quickly became clear that the fair tax is desperately needed to address the structural deficit and ensure the state can fully fund public pensions. That's why we worked to get it passed."

Sub-Chapter 87 wasn't alone. As retiree members learned the facts about the fair tax, more and more actively lobbied to pass the legislation by calling their lawmakers, educating other groups and taking part in actions.

Sub-Chapter 59 members, who live in Jersey, Madison, and St. Clair Counties, wanted clarification on the constitutional change before getting behind the reform.

"Folks here were relieved to learn that the fair tax would be pursued by a vote of the legislature and then voters, instead of a constitutional convention," Sub-Chapter 59 President Mike Miller said, "so only the language being voted on can be changed and our pension protections cannot be touched."

"We seniors have the advantage of memory," said Jim Dixon, member of Sub-Chapter 86 in Sangamon County. "We've seen decade after decade of the state unable to pay all of its bills, services and pension obligations due to a lack of revenue, and working people paying twice as much of their income in taxes as the wealthy."

AFSCME retirees will work to ensure voters approve the fair tax in November 2020.

Jo Coleman, Sub-Chapter 59.

At 93, nurse says stay active

"People think because you're 93, you're old and decrepit," Jo Coleman, a member of Sub-Chapter 59 near Alton, said as she mimicked a hunched-over walk. "It's really about having a positive attitude and staying active."

Coleman's nursing career spanned 72 years, including many years at Alton State Hospital, now called Alton Mental Health Center.

She first worked for more than 50 years, before retiring in 2001 at age 75. But that didn't last long. She began to work part-time at a local developmental training center, distributing medications to patients, and says she will continue working as long as she is able.

"While medicine has changed drastically over my career, one thing remains absolutely true," says Coleman. "Staying active is still one of the best ways for a person to stay healthy, both mentally and physically."

Social Security 2020 COLA

According to a new estimate based on the recent Social Security Trustees report, the projected Social Security cost-of-living adjustment (COLA) for 2020 will be 1.8%. This is a full percentage point lower than 2019's 2.8% and amounts to an increase of only about $26 in monthly benefits for the average claimant.

The same projection says that the Medicare Part B premium will likely rise by $8.80 per month next year. If both estimates prove accurate, the average beneficiary will only receive a net increase of $17.20 per month, which will quickly be eaten up by rising prescription drug costs and other expenses.

AFSCME and the Alliance for Retired Americans have been strong proponents of moving to a more accurate measure of inflation for seniors. Social Security's annual COLA is calculated using the CPI-W formula, based on spending habits of urban wage earners and clerical workers.

The Fair COLA for Seniors Act (H.R. 1553), introduced by U.S. Representative John Garamendi (CA-03), would use the Consumer Price Index for the Elderly (CPI-E) for the purpose of determining the Social Security COLA. Using the CPI-E will ensure that benefits for retirees are not diminished by rising costs in the goods and services that seniors disproportionately consume.

"The bottom line is that seniors deserve a COLA increase and relief on their wallets," AFSCME Retiree Coordinator Maria Britton-Sipe said. "Yet next year's projected COLA means that millions of beneficiaries will once again find their expenses outpacing their Social Security benefit. It demonstrates the failure of the current COLA formula to accurately measures seniors' expenses, including higher out-of-pocket health care costs and housing expenses."

> "The bottom line is seniors deserve a COLA increase."

Call your Member of Congress and urge them to support H.R. 1553 — the Fair COLA for Seniors Act!

Retirees owed steps and longevity pay

Retired state workers owed back pay for step and longevity increases withheld during Bruce Rauner's term in office will be receiving it along with current employees.

A top priority for Council 31 has been making employees—including those who've since retired—whole for wages lost as a result of Rauner's illegal step freeze. While those who were working were put back on their proper steps on April 1, Council 31 continued fighting to gain funding for the back wages owed to both active and retired employees. In June the General Assembly passed a budget to accomplish that goal.

Once back wages have been paid, the State Employees Retirement System (SERS) will begin the process of recalculating pensions and disability payments for those who were owed either steps or longevity pay.

SERS staff must manually review the back-wage records of several thousand retirees in order to calculate the impact of back wages on each retiree's monthly pension amount and to determine if a retroactive adjustment to the pension benefit is required. This process will take a considerable amount of time. The union will notify retiree chapter members of the specific time frame as soon as possible.