

# RETIREE NOTES



## Rauner outsources his campaign while AFSCME Retirees respond with grassroots activism

FROM HIS NON-STOP POLITICAL commercials flooding the airwaves to endless campaign literature filling mailboxes, Bruce Rauner has constantly demonstrated his willingness to buy the election, no matter the price.

The latest example was revealed recently: Rauner is buying "grassroots" support by outsourcing his political phone-bank operation to another state. Rauner has paid \$295,000 to Victory Phone Lines, a Michigan-based telemarketing firm, with orders to call Illinois voters on Rauner's behalf.

AFSCME Retirees, on the other hand, are not relying on out-of-state hired guns to get the word out about the election. They're taking matters in to their own hands—the old fashioned way.

"I try to call local members from my sub-chapter throughout the day," said Bea Stratton, vice president of the Champaign Sub-Chapter. "Sometimes it can be hard to make it to the door-to-door canvassing operations, but this election is so important that I need to make sure every retiree in my area knows the truth about what Rauner would do to our retirement security."

AFSCME Retirees across the state are reaching out to their fellow union members, as well as their friends and family, and spreading the word about Rauner's plan to further the attacks on their retirement security.

"Everyone, everywhere can do something to help out. We may not be able to out-

spend Bruce Rauner, but we can outwork him any day of the week," said Stratton.

## Effort to overturn City of Chicago pension cuts gets a boost

DESPITE VIGOROUS OPPOSITION from AFSCME, last spring the General Assembly passed SB 1922, legislation which reduces the pension benefits of active and retired City of Chicago employees who participate in the Municipal and Laborers pension plans. That includes all AFSCME members who have retired from the city.

AFSCME and other unions are preparing to file suit in circuit court to seek to overturn this new law legislation which is scheduled to go into effect on January 1, 2015. The unions will ask the court for an injunction to stay the implementation until the court makes a final ruling.

Efforts to block unfair cuts to retirement benefits got a big boost in July when the Illinois Supreme Court reversed the dismissal of another suit that AFSCME had filed challenging SB 1313, legislation that repealed the state law that provided retiree health care benefits to state of Illinois and state university employees. By a six-to-one bipartisan margin, the Supreme Court held that under the Illinois state constitution, retirement benefits cannot be diminished.

That decision bodes very well for the suit that AFSCME will soon file to overturn SB 1922, as well as for the ongoing AFSCME suit challenging SB 1, a similar pension-cutting bill that targeted state and university retirees.

Attorney General Lisa Madigan's office, which repre-

sents the state, has already made it clear in the SB 1 case that the government is relying on the argument that the state's dire financial condition justifies overriding constitutional protections. However, the Supreme Court's retiree health benefits ruling (*Kanerva v. Weems*) will make it more difficult for the state to pursue that line of argument.

## Rauner's plans for your retirement security

BRUCE RAUNER HAS BEEN TRYING to distance himself from comments he made about SB 1, the bill passed last December that would cut pensions for state and university retirees. When asked for a comment on the bill, Rauner said that "it didn't go far enough."

While Rauner now tries to hide his true plans about public retiree pensions, his words and campaign literature speak volumes.

According to Rauner's own website, he believes the main problem with the pension theft bill passed last year was that it also requires the state to finally pay into the pension funds. Rauner doesn't think this is a good use of state money – the same line of thinking that caused the pension mess in the first place.

Rauner has repeatedly called for switching current workers from a defined-benefit pension to a 401(k)-style defined-contribution plan. He fails to mention this impact this would have on retirees: Under 401(k) plans employee and state contributions do not go to the pension fund, but rather to an account managed by Wall Street banks. What that means is that the pension fund that current retirees draw from would become even more underfunded, as the revenues to the fund would essentially cease over the next couple of decades, further jeopardizing your pension.

## Medicare Advantage open enrollment begins Oct. 15

MEDICARE-ELIGIBLE STATE AND university retirees will enter into open-enrollment for their Medicare Advantage plans on October 15.

Similar to enrollment periods in previous years, if you do not wish to make changes to your health insurance then no action is

required on your part. However, for those who are new enrollees and those who wish to make changes, it is important that you begin checking your mailbox in early October for your benefit choice package from CMS.

A significant development this year is the addition of a Health Alliance HMO plan for the 48 counties that currently only have the United Health Care PPO as a plan choice. The Health Alliance HMO will be similar to the Coventry and Humana HMO plans currently offered in the remaining counties.

During the open enrollment period CMS will be hosting seminars across the state, and you will be provided with a schedule of these seminars in your open-enrollment information. Also, AFSCME Retirees has detailed information about these plans as well as answers to frequently asked questions on our website at <http://www.afscme31.org/retirees/get-answers>.

## City of Chicago imposes steep health care cost increases on retirees

IN 2013 THE CITY OF CHICAGO announced its intention to phase out health care subsidies to City of Chicago retirees, claiming that such benefits were never promised to retirees.

The plan needed the approval of the Chicago City Council and AFSCME launched a vigorous lobbying effort to convince aldermen to veto the changes. However, few aldermen were willing to take up the fight in defense of retirees and the changes were enacted.

Chicago retirees have now received notices detailing just how much their health plans would cost them. Mayor Rahm Emanuel's administration has increased the price of these plans by upwards of 66 percent for retirees using one of the city's health care plans.

As a result, most City of Chicago retirees previously in AFSCME bargaining units will be paying more than \$600 per month for their health care premiums, and up to \$1,500 per month if they have dependents on their plan. This doesn't even take into account out-of-pocket costs, which are seeing sharp increases as well.

Compounding these problems is the fact that most City of Chicago municipal

workers are not eligible for Social Security or Medicare.

The city initially only gave retirees about three weeks to select a plan, leaving little time for retirees to research their options. In a letter to Emanuel, Council 31 Executive Director Roberta Lynch called on the city to extend the deadline – the City responded by moving the deadline to Oct. 23.

The deadline extension also applied to those who had already selected a plan, giving them three weeks to do more research and, if desired, choose another option.

"AFSCME intends to continue our efforts to ensure affordable health care for all City of Chicago retirees," Lynch stated in the letter to the Mayor. "For now, we want to ensure that retirees are able to make an informed decision as to which of the current choices offered to them is best for their specific situation."

## Mae Coonradt (1922-2014)

RETIREE CHAPTER 31 IS MOURNING the loss of Mae Coonradt, the first president of sub-chapter 69 and an active union advocate. She was 91.

Mae was a former president of her AFSCME local and helped organize the administrative professional employees at the Rockford Fire Department, where she worked for more than 30 years. She remained an active member of AFSCME Retiree Chapter 31 into her 80s.

# Rauner

Continued from page 10

whatever they want by virtue of their wealth."

## Just like Scott Walker and Mitch Daniels

RAUNER HOLDS IN HIGH REGARD two of the most anti-union and anti-worker governors in recent memory: Wisconsin's Scott Walker and former Indiana Gov. Mitch Daniels. He's called them both "role models" and says they're among "the great governors of America."

"Rauner hates to give details on what he'd do if elected, but his choice of role models makes it clear," Cameron said. "Scott Walker and Mitch Daniels made public employee unions their number one target in office. We need to make sure Bruce Rauner never gets that chance by defeating him on November 4."