

RETIREE NOTES



AFSCME Retiree Council visits Congress

AFSCME RETIREES FROM across the country met on Capitol Hill in Washington, D.C. from July 23 to 25 for their annual meeting. Chapter 31 Vice President Mary Jones and Treasurer Alma Wingard represented Illinois retirees at the summit.

"There are nearly a quarter of a million public sector retirees in AFSCME and together we are a massive political force," said Wingard. "We must stay engaged and mobilized, not only to protect retirement security but to ensure that the labor movement, which plays such a vital role in fighting for a fair economy, can continue to grow."

The meeting included lobbying on Capitol Hill focused on the following issues:

- **Social Security, Medicare and Medicaid:** Retirees urge the protection and expansion of these programs and oppose any efforts to privatize or create individual retirement accounts. They are pushing for a cost-of-living adjustment that lifts everyone up.
- **Affordable Health Care:** Retirees are pressing to lower the price of prescription drugs, provide consumer protections from surprise medical bills and unexpected charges from out-of-network providers for emergency care. They also want to repeal the 40% tax on high-cost worker and retiree health benefits.
- **Labor Rights:** Retirees seek the same protections for

public service employees as those afforded to workers in the private sector. The Public Service Freedom to Negotiate Act (H.R. 3463 and S. 1970) as well as the Protecting the Right to Organize (PRO) Act (H.R. 2474 and S. 1306) are two pieces of legislation that protect collective bargaining rights and make it easier to form unions.

In focus: IMRF

CHAPTER 31 RETIREE MEMBERS participate in various public sector retirement systems, including the Illinois Municipal Retirement Fund (IMRF).

While the IMRF is the largest and best-funded pension plan in Illinois, it's not insulated from attacks on public employee retirement security.

IMRF was created by the Illinois General Assembly in 1939. It provides retirement, disability and death benefits to employees of more than 3,000 local governments and school districts in the state, covering 176,517 employees, 133,261 retirees and 119,937 inactive participants.

Because defined benefit pensions pool contributions, they produce hefty investment returns. The average IMRF retiree has 19 years of service and receives an annual benefit of \$19,838. Of each pension dollar paid out to retirees, 62 cents come from investment earnings, 26 cents from IMRF employers, and 12 cents from IMRF employees.

The pooling of contributions combined with a professional investment team and a statute that guarantees funding has resulted in IMRF being 90% funded. Despite its strength, many proposals targeting pension benefits in recent years have included IMRF participants.

"While AFSCME continues efforts to educate lawmakers and the public on the importance of the defined benefit pension, members and retirees must engage in these efforts and help educate other participants," said AFSCME Local 3433 president Trudy Williams, who holds an elected seat on the IMRF Board of Trustees. "The IMRF is a well-designed system that allows public sector retirees to have dignity in retirement. We must work together to protect it."



Sub-chapter 72 President Barb Schwamberger testifies to Sterling City Council.

AFSCME retirees stand up for CGH workers

MORE THAN 50 AFSCME retirees and members attended a Sterling City Council meeting on July 16 to support CGH Medical Center employees trying to form a union with AFSCME (see page 7 for details).

During the meeting, workers at the city-owned hospital called on the council to intervene and require CGH's management to take a more neutral stance after CGH held numerous anti-union meetings and repeatedly sent out anti-union propaganda.

Their testimony was bolstered by the presence of supporters like Sub-chapter 72 President Barb Schwamberger, who was the last to speak.

"They are understaffed,"

Schwamberger said. "They have no one to speak for them because they have no union."

State contract keeps health care affordable for retirees

IN JUNE, COUNCIL 31 MEMBERS in state government overwhelmingly ratified their new contract.

"It was a long, hard fight to secure the contract," said AFSCME Council 31 Executive Director Roberta Lynch. "We battled for four years with former governor Bruce Rauner. But through it all state employees stood strong—and Chapter 31 retirees stood with them—and we won!"

AFSCME secured a court order that barred Rauner from imposing his harsh terms, effectively freezing

health care costs for retirees, along with active state and university employees, for the past five years. And in negotiations with the Pritzker administration, the AFSCME Bargaining Committee successfully kept health care affordable for everyone under the state plan.

The new contract includes the following health plan changes which impact SERS and SURS retirees:

- Retirees with 20 or more years of service will continue to receive premium-free coverage. Premiums for individuals with less than 20 years of service remain at 5% of the cost of coverage for every year of service less than 20.
- There will be no increase in the dependent premium contribution for Medicare-eligible retirees (TRAIL participants).
- The plans currently offered will continue to be offered.
- There will be no increase in dependent premium contributions until January 1, 2020 for non-Medicare eligible retirees. Non-Medicare retiree dependent premium contributions will increase by a composite of \$18/month for coverage each year beginning January 1, 2020.
- The monthly contribution for dental coverage will increase by \$1 per month for members and dependents in each of the last three years of the contract.
- There will be no cost increases related to plan design changes for the group insurance plans in the first year of the contract. In subsequent years, out-of-pocket costs will increase consistent with health care cost trends.



Giving back: For seven years, members of Retiree Sub-chapter 56 in Chester have collected canned goods for two different local food pantries to support community members in need.