

RETIREE NOTES

Retirees help set agenda

JUST BEFORE THE ILLINOIS General Assembly convened, well over a hundred retirees from across the state joined working members to set the legislative agenda at the AFSCME Legislative Conference on January 26.

"Legislators ignore retirees at their own peril," said Steve Radliff, president of Sub-Chapter 82 in Jacksonville. "We are one of the largest and most engaged voting blocs in this country and that participation does not stop once elections are over."

Protecting our retirement

Karren Holloway, a retiree from Sub-Chapter 163 in southern Cook County noted that the legislative agenda highlighted the repeated and varied attempts to undermine retirement benefits.

"A priority for both working and retired members continues to be defending and stabilizing our pension funds, especially as efforts ramp up to eliminate the state's pension protection clause," she said. "To successfully address the pension issues, we will all need to support a state budget that is responsible and includes adequate revenue."

Illinois state pension funds are underfunded due to structural deficits in operating

budgets, not benefits, but despite the underfunding they are still an economic driver in the state.

According to the National Institute on Retirement Security, every dollar contributed by taxpayers to public pensions in Illinois yields an economic output of \$4.75.

"Expenditures made by retirees of state and local government provide a steady economic stimulus to Illinois communities and the state economy," the report states.

Join the fight

Retirees will mobilize into action during the legislative session. If you're not receiving emails or texts to be informed on fast-action items, please contact Chapter 31 Retiree Coordinator Maria Britton-Sipe at mbritton-sipe@afscme31.org.

Court rules against charges to Chicago pension fund

IN 2016 THE ILLINOIS Supreme Court ruled for AFSCME and other unions that sued to overturn a law that would have cut the pension benefits of city of Chicago employees.

A lawyer who had filed a separate suit for a small group of employees demanded that



AFSCME Chapter 31 Retirees got ready for a new legislative session at the 2019 PEOPLE Conference in Springfield.

his fees of nearly \$1 million be paid by the Municipal Employees and Annuitants Benefit Fund, the fund in which city of Chicago AFSCME members and retirees participate. AFSCME filed objections to the payment, arguing that city retirees should not be forced to pay for a lawsuit they never agreed to. Earlier last year a trial court denied those fees, and in December 2018, the Appellate Court, agreed.

This is a win for Chicago retirees, who won't have their funds depleted. If the pension systems are raided to pay such fees, it could further undermine its ability to pay benefits, as less money can be invested and produce a return.

While plaintiffs may appeal this decision, AFSCME will continue efforts to protect retiree benefits.

SERS continues to recalculate benefits owed

IN THE 2018 SPRING LEGISLATIVE session, AFSCME successfully lobbied for passage of an appropriation to pay back wages owed to some 24,000 state employees and retirees from 2011 when a negotiated pay increase was withheld. As a result, all back wages were paid as of October 31, 2018.

SERS is in the process of determining the impact on the monthly benefits of those who were paid back wages and will adjust accordingly, including any retroactive benefits.

According to SERS Director Tim Blair, "The review of frozen information and the



AFSCME Chapter 31 retirees Marvin McBride and Betsy Hastings.

benefit recalculations will require a significant amount of staff time." SERS is asking for patience as they go through this labor-intensive process. AFSCME retirees will continue to monitor this process.

Social Security expansion

THIS PAST JANUARY, BOTH THE US House and Senate proposed to expand Social Security benefits while also making gradual changes to keep the system solvent for the rest of the century.

Called the Social Security 2100 Act, the legislation would provide an across-the-board benefit increase equal to about two percent of the average benefit, along with a cost-of-living adjustment, that would better account for the actual costs faced by seniors. The bill, which would be the first major expansion of Social Security since 1972, would also set a

higher minimum benefit, putting it at 25 percent above the poverty line, and cut taxes for an estimated 12 million Social Security recipients by lifting the income thresholds for taxing benefits.

If enacted, this policy shift would permanently fix the funding of the Social Security program by raising the payroll tax rate from 12.4 percent to 14.8 percent over the next 24 years, and the payroll tax would be imposed on earnings over \$400,000 a year. Only one-fourth of the money raised by the bill would be used to increase benefits. The rest would cover projected deficits in the Social Security trust over the next 75 years.

"Expanding Social Security, with no cuts, is wise policy and winning politics," said Nancy J. Altman, the president of Social Security Works, an advocacy group AFSCME supports. "People are worried about a retirement income crisis, and this is a solution."



Nearing Retirement?

If you or someone you know is about to retire, make sure they stay engaged in protecting their benefits by joining AFSCME Retiree Chapter 31.

To join just sign an AFSCME Chapter 31 membership card. Retiree dues are only \$3.00 a month and will be deducted directly from your pension check upon your authorization.

By joining AFSCME Retiree Chapter 31, you'll be taking a stand for retiree rights and improved benefits. You've earned your retirement benefits; now join the fight to protect them.

For more information or to request a membership card, contact Maria Britton-Sipe, AFSCME Council 31 Retiree Coordinator 217.788.2800