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## SEASON'S GREETINGS



### New venue for AEA-Retired Annual Meeting and AEA Delegate Assembly set for April 25 and 26

Mark your calendar and plan to join your colleagues for a fun-filled, informative day at the 26<sup>th</sup> AEA-Retired Annual Meeting, which will be held in a new venue. For the first time in the history of AEA-Retired, the Annual Meeting will be held at the Wigwam Resort in Litchfield Park, a premiere Arizona resort.

The AEA-Retired Annual Meeting is set for Friday, April 25, 2014 from 9:30 – 3:30. For those who wish to be a delegate, the AEA Delegate Assembly will follow, beginning at 6:00 PM on April 25, and continuing on Saturday, April 26.

All AEA-Retired members and their guests are invited to attend the Annual Meeting. Members who wish to also be a delegate, so that they can vote in the AEA-Retired officer and Board elections, will be delegates to the AEA Delegate Assembly as well. All AEA-Retired Delegates will be funded for half the cost of a double-occupancy room for the night of April 25<sup>th</sup> and be reimbursed for mileage that exceeds 100 miles one way.

Included in this issue of *The Conduit* on page 5, is a nomination form to be a delegate to both the AEA-Retired Annual Meeting and AEA Delegate Assembly. In order to participate in the election of AEA-Retired officers and Executive Board openings, members must be delegates. AEA-Retired will be allotted 85 delegates to Delegate Assembly, making our "local" the largest delegation to attend, and a major player.

At the Annual Meeting, delegates will elect a new President, Treasurer, and six At-Large Representatives to serve on the Executive Board. Page 6 of this *Conduit* is a nomination form for any member wishing to serve in one of those positions.

All nomination forms for delegate positions

or openings on the AEA-Retired Board must be received by **February 10, 2014**. If there are fewer delegate nominations than allotted slots, all nominees will automatically be certified as delegates. If more nominations are received than positions available, then voting will take place electronically in February & March.

One of the highlights of each AEA-Retired Annual Meeting is the presentation of the **Les Reynolds Distinguished Senior Service Award**. Please use the information found on page 7 to nominate an AEA-Retired member worthy of receiving this special award.

Whether attending as just a participant or an official delegate, plan on joining your colleagues on April 25<sup>th</sup> for a great day of entertaining activities, wonderful companionship, and important information. Watch for more information and registration form in the March issue of *The Conduit*.

### AEA-Retired Board selects Austin for VP

Due to recent health concerns which prohibited him from fulfilling his duties, AEA-Retired Vice President Frank Bing submitted his resignation to the AEA-Retired Executive Board in September.

The Board regrettably accepted the resignation, and at the October meeting, selected Suzan Austin, who has served as a Representative-at-Large, and Chair of the Annual Meeting, to fill the remaining two years of Bing's term.



#### AEA Retired Calendar

January 14—AEA-Retired Board meeting (AEA HQ)

February 10—AEA Delegate nominations, AEA-Retired officer & Board nominations, & Les Reynolds Award nominations due

February 11—AEA-Retired Board meeting (AEA HQ)

March 11—AEA-Retired Board meeting (AEA HQ)

March 25-27—AEA Retired Organizing Conference (Houston, TX)

# ASRS UPDATE BY STEVE RAMOS



Steve Ramos

## BETTING ON WALL STREET NOT ENOUGH; A PERMANENT BENEFIT INCREASE DEPENDS ON A WELL-MANAGED FUND

In November, the Arizona State Retirement System Board declared that there are no excess funds available for an additional Permanent Benefit Increase for retired members next year. All current PBIs will continue to be included in benefit checks. Given the market performance over the past 10-year period that the ASRS uses to recognize gains and losses over time, it is expected to be a few years before the PBI pool can rebound to provide for an addition to the PBI for retirees. **The fund returned 13.1% in FY 2013. The 10-year average is at 7.6%. ASRS estimates the earliest PBI would be 2018.**

The ASRS Board had a significant discussion over a new plan to provide a performance bonus to ASRS fund managers. Adding to the debate was the fact that the Public Safety Retirement Plan had recently received negative press coverage over a similar, but significantly different, program. Some board members were concerned that a bonus plan would not be viewed favorably in these hard economic times.

ASRS director, Paul Matson, talked about how difficult and costly it is for a public employer like ASRS to attract and keep good fund managers, due often to lower public sector salaries. He also reaffirmed his belief that using in-house investment fund managers produces better results at lower costs than outsourcing these jobs to private contractors. The program would involve a complicated formula under which ASRS will offer a bonus of up to 25% of a manager's current salary depending on how well they out perform their fund category "benchmark" in any one fiscal year.

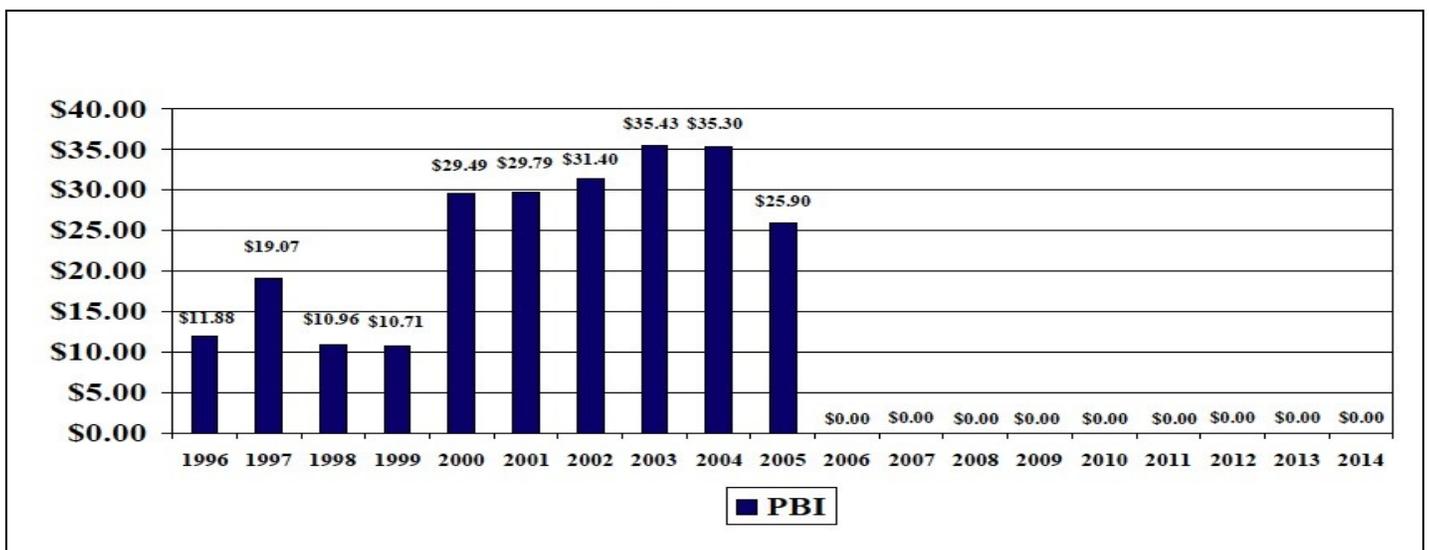
ASRS currently has 10 fund managers. A rough estimate of the maximum bonus payout in any single year would be \$350,000.

Matson believes the fund could see millions more in investment returns for the cost of a few hundred thousand in bonuses. The fund is currently above \$31 billion. After listening to the debate, AEA-Retired agreed that employing and retaining smart money managers is essential to the continued health and growth of our retirement plan. AEA-Retired also believes this plan creates a better chance of a more secure fund, and an earlier, larger PBI, over a longer period of time. The Board added an amendment to state that no bonus will be awarded in any fiscal year where the fund has a negative return. The final proposal was approved by a 4-2 vote with 3 members absent and not voting.

In other Board action, The ASRS set the new employee contribution rate at a combined **11.60%** for the Pension Plan/Health Benefit and Long Term Disability, beginning July 1<sup>st</sup>, 2014. The slight increase in contribution rates from the current rate of **11.54%** is due to continued efforts to pay off the unfunded liability. The funded status for the ASRS Plan at the end of FY 2013 was **75.9%**. Although a plan is generally considered in sound territory when the ratio is 80% or above, our fund is very sound.

The graph below displays the history of the ASRS PBI. The last year the fund exceeded 8% was in 2001, but 10 year smoothing allowed for 4 more years of PBI. The PBI amount for an individual retiree is based on a formula using a specific dollar amount times the number of years of service, which is then divided by 12 monthly payments.

(For more information on ASRS or to check on your own account, go to [www.azasrs.gov](http://www.azasrs.gov))



# PRESIDENT'S MESSAGE

BY LINDA SOMO

## So many reasons to be thankful!

It doesn't seem possible that another year has passed by. I guess the old adage that "the older you get, the faster time flies" is really true. It seems like only yesterday we were worrying about Y2K, and here we are well into the second decade of the new millennium. Amid the holiday hustle, bustle and frenetic activity, I always take some time to reflect, evaluate, and give thanks for the many blessings that have touched my life.



President Linda Somo

I have been blessed in so many ways. First and foremost, I am thankful for my family -- a loving husband who has put up with me for more than 49 years, two wonderful sons, and six very unique and irreplaceable grandchildren. Next, I am thankful for a country that has given me, the daughter of immigrants, an excellent public school education from kindergarten through graduate school, and afforded me the opportunity to pursue my professional dreams.

I am thankful for the military men and women (past, present, and future) who have sacrificed so much to keep our country safe and maintain our valued freedoms. I am thankful for the ability to work in a profession that I love for more than 32 years, and for my professional union that gave me a voice and supported me and my colleagues in efforts to enhance the lives of children and public school employees.

I am especially thankful for all the wonderful members of AEA-Retired who give unselfishly of their time and talents to serve their colleagues. We are privileged to have great representation and leadership on our Executive Board with the officers and 18 Representatives-at-Large who willingly do the work of AEA-Retired: **Aurora Aber, Danny Barlow, Shirley Boswell, Mary Ann Goodluck, Elizabeth Hendrickson, Julie Horwin, Janie Hydrick, Steve Linder, Barbara Matteson, Cindy Michels, Gary Mehok, Carmen Peters, Nancy Putman, Kathy Ramage-White, Sally Rosen, Susie Sommer, Linda Thieken, and Juan Zuniga.** They follow in the footsteps of those who led the way before us

and continue to guide us.

My fellow officers, **Suzan Austin**, Vice President, **Ken Freed**, Secretary, **Jean Stephenson**, Treasurer, and **Kathy Campbell**, Past President, along with **John Campbell**, NEA Director, and **Judy Moy**, AEA Director, spend countless hours working for all of us. I can always depend on them for whatever needs to be done, and I could not do my job without them.

Thanks, too, to our committee chairs, committee members, chapter chairs, and all volunteers. You perform the nitty gritty, day-to-day activities that make our Association strong and effective in serving the needs of members.

And finally, I am thankful for you, the members of AEA-Retired. You are indeed a very special group of people. Not only did you devote your lives to meeting the needs of students, you continue to be committed to procuring a quality, public education for every student. The fact that more than 800 of you each year return your voluntary contributions to the AEA Foundation, the Fund for Children, and the Education Improvement Fund (exceeding the \$7 amount requested from each participant) is proof of this.

Yes, this is indeed the time of year for giving thanks for our blessings and for looking forward to a new year. Best wishes to you and your family for holidays and a new year that will bring you health, happiness, and many reasons to be thankful.

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## Good news from Social Security and Medicare for the new year

Unlike our state pension system, which has not been able to provide any type of COLA since 2005, Social Security will provide a 1.5% increase in monthly payments beginning January 1, 2014. While not a huge amount, any increase will be welcomed by those of us who must live on a fixed income.

Standard premiums for Medicare Part B, which covers doctors' services and outpatient care, will remain at \$104.90 a month in 2014, the same as this year. The deductible will stay unchanged at \$147. Officials say that the actual premium, which is calculated as 25% of the program's costs in the previous year, has been held flat because Medicare costs have slowed, partly due to provisions of the Affordable Care Act (a.k.a. Obamacare).

This totally disproves a mass email scare tactic that has circulated since 2010 claiming that the ACA would cause Part B premiums to reach \$247 a month by 2014.

## LEGISLATIVE UPDATE



### DO YOU KNOW ABOUT ALEC?

By Barbara Matteson

At the **American Legislative Exchange Council (ALEC)** big corporations write and sponsor free-market policies for state legislators. ALEC holds conferences where legislators are wined and dined and provided with language for legislation they want passed. Legislators take this language and introduce it back home, many times word for word. Arizona has one of the highest concentrations of ALEC legislators in the country, and we have seen many ALEC policies (like SB 1070) reflected in bills proposed and passed in our legislature.

ALEC's bills follow a simple formula:  
**DEFUND, DEREGULATE, PRIVITIZE AND PROFIT.**

ALEC's education policies are shameful and have a real negative impact on students. Privatizing is top on their list and comes in many forms, like vouchers and education tax credit, unregulated corporate cyber schools and corporate-backed "parent triggers". Sound familiar?

ALEC members are hoping to clear the way for more privatization with less oversight by focusing on how to limit the power of educators to collectively bargain and have a voice in working and learning conditions.

Parents, educators and communities are waking up. We need to stay informed about the dangerous proposals coming from this organization. We do not want Arizona legislators introducing public education legislation that is written by big corporations whose goal is **to defund, deregulate and privatize**. Let your state legislators know that you oppose these tactics and that they should sever their relationship with ALEC and write their own bills; bills that would benefit the people of Arizona rather than big corporations.

### **NO GRAND BARGAIN, BUT NO CUTS TO SOCIAL SECURITY OR MEDICARE EITHER.**

We are grateful that at press time a budget deal appears to be reached in Congress that doesn't cut earned Social Security and Medicare benefits. This budget agreement will bring more certainty to the nation's economy. Your message was received in Congress. Thanks to all that let their members of Congress know that cuts to our benefits were not acceptable.

However, issues like not extending unemployment benefits, sequestration cuts to services, cutting pensions of federal workers, veterans and military retirees need to be addressed. Additional revenue is needed. To raise additional revenue Congress could consider closing corporate tax loopholes and requiring the super wealthy to pay their fair share.

There are several changes that Congress could enact to keep Social Security solvent and strengthen it for current and future generations. One change that seems very reasonable is to eliminate the cap on Social Security payroll contributions. Only wages up to \$117,000 are subject to the Social Security payroll deduction. Lifting the cap will help address the majority of Social Security's projected funding shortfall.

**Stay informed; let your voice be heard.**

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### **Non-Medicare retirees can shop for healthcare online**

ASRS retirees who are not yet Medicare eligible can shop on the new healthcare exchange where they may find a plan that meets their needs and is less expensive than the ASRS plans. Go to [www.healthcare.gov](http://www.healthcare.gov) to choose from 111 different plans, and to check on eligibility for a subsidy that could reduce the premium cost.

**AEA-RETIRED EXECUTIVE BOARD ELECTIONS 2014**

Pursuant to Article V and VI of the Association’s Constitution, AEA-Retired is currently accepting nominations for the following positions: AEA-Retired President, Treasurer, and 6 At-Large Representatives. The election will be held during the AEA-Retired Annual Meeting that is scheduled for Friday, April 25, 2014, at the Wigwam Resort in Litchfield Park.

**Nominations must be received by January 31, 2014.** All terms are for three years. **Nomination deadline: Monday, February 10, 2014.** NOTE: If mailing nomination forms, please postmark by **February 7, 2014** to: **AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004**

**Description of Duties of At-Large Members of the Board**

**Purpose**

To advise, govern, oversee policy and direction, and assist with the leadership and general promotion of AEA-Retired so as to support the organization’s mission and needs.

**Major responsibilities & Expectations of board members:**

- Organizational leadership and advisement
  - ◆ Attend and participate in Executive Board meetings, committee meetings and special events .
  - ◆ Participate on a standing committee of the board, and serve on ad-hoc committees as necessary.
  - ◆ Formulate and oversee policies and procedures. Understand the policies and procedures of AEA-Retired.
  - ◆ Financial management, including adoption and oversight of the annual budget. Become familiar with AEA-Retired finances, budget, and financial/resource needs.
  - ◆ Oversee program planning and evaluation. Review organizational and programmatic reports. Set the annual dues.
  - ◆ Promote the organization. Help communicate and promote AEA-Retired mission and programs to the community.
  - ◆ Fundraise and outreach. Financially support AEA-Retired in a manner commensurate with one’s ability.

\*Members of the board share these responsibilities while acting in the interest of AEA-Retired.

**Length of term:** Three years, which may be renewed up to a maximum of two consecutive terms, or 6 years.

**Meetings and time commitment:**

The executive board meets monthly except June, July & August. Calendar available online at [www.azedretired.com](http://www.azedretired.com)  
Meetings are usually, but not always, on the second Tuesday of the month at 10:00 a.m., at AEA Headquarters, 345 East Palm Lane, Phoenix, Arizona. Meetings typically last 4 hours.  
Committees of the board meet an average of two to three times per year, pending their respective work agenda.

**Responsibilities of President or Treasurer:** To read the description of duties, please visit <http://www.azedretired.com/President.htm> or <http://www.azedretired.com/Treasurer.htm>

**NOMINATION FORM FOR AEA-RETIRED EXECUTIVE BOARD**

- You may self-nominate for only *ONE* of the vacant offices.
- If you nominate someone other than yourself, you must have his or her signed permission.

CANDIDATE \_\_\_\_\_

PHONE (1) (\_\_\_\_) \_\_\_\_\_ PHONE (2) (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ ZIP \_\_\_\_\_

\_\_\_\_\_  
Signature of Nominator

\_\_\_\_\_  
Signature of Candidate (Candidate must sign)

**Check the office you seek:**  AEA-Retired President  AEA-Retired Treasurer  Representative at Large (6 slots)  
**Nomination deadline: Monday, February 10, 2014.** NOTE: If mailing nomination forms, please postmark by **February 7, 2014** to: **AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004**

PLEASE SEE REVERSE SIDE FOR AEA DELEGATE ASSEMBLY NOMINATION FORM

**AEA-RETIRED DELEGATE NOMINATION FOR AEA DELEGATE ASSEMBLY 2014**

Concurrent with officer and board nominations, we want and need you to run as a delegate to the AEA-Retired Annual Meeting and AEA Delegate Assembly.

***\*Only Delegates are eligible to vote in AEA-Retired elections during the AEA-Retired Annual Meeting on Friday, April 25. This is in accordance with guidelines set by NEA/AEA for one person, one vote representation. (NEA/AEA ELECTION GUIDELINES)***

We need a minimum of 85 delegates nominated. You may nominate yourself. AEA Retired delegates **are required to attend both the AEA-Retired Annual Meeting on Friday, April 25, 2014, and the AEA Delegate Assembly on the evening of Friday, April 25 and Saturday, April 26, 2014.**

This is a great opportunity to meet with long-time friends, be updated on happenings around the state, and participate in the decision-making for AEA and AEA-Retired.

Nomination forms must be received by **February 10, 2014**. If you submit your name, chances are high you will be a delegate, due to the fact that an election of delegates will not be necessary if fewer nominations are submitted than seats allotted. If more nominations are received than our allotted number of delegates, an electronic (online) election will take place in February & March, 2014.

All AEA-Retired elected delegates to the AEA Delegate Assembly will be funded for one-half the rate of a double-occupancy room at the Wigwam Resort on Friday, April 25, 2014.

**NOMINATION FORM FOR AEA-RETIRED DELEGATE FOR AEA DELEGATE ASSEMBLY 2014**

-You may self-nominate.      -If you nominate someone other than yourself, you must have his or her signed permission.

CANDIDATE \_\_\_\_\_

PHONE (1) (\_\_\_\_) \_\_\_\_\_ PHONE (2) (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ ZIP \_\_\_\_\_

\_\_\_\_\_  
Signature of Nominator

\_\_\_\_\_  
Signature of Candidate (Candidate must sign)

**Nomination deadline: Monday, February 10, 2014.** NOTE: If mailing nomination form, please postmark by **February 7, 2014** to: **AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004**

**PLEASE SEE REVERSE SIDE FOR AEA-RETIRED EXECUTIVE BOARD NOMINATION FORM**

# Les Reynolds Award Nomination

**The Les Reynolds Distinguished Senior Service Award** is presented annually to a member of AEA-Retired in appreciation for outstanding service to our Association, public education, and the community. Please take the time to nominate a member you believe meets these criteria. Please be specific in completing the nomination, using type or computer. You may attach any additional information you wish. The committee will not consider partially completed forms.

You may fill out the form online: <http://www.surveymonkey.com/s/RC3CFMZ>

## Les Reynolds Distinguished Senior Service Award Nomination Information:

**A. Nominee Name, Address including Street, City, State, Zip, Phone, Email**

**B. Nominator's Name, Phone, Email**

**C. Describe:**

- ◆ Number of years as an AEA-Retired member.
- ◆ Association positions held at the local, state, national levels: (if any)
- ◆ Positions held in other professional and/or social organizations.
- ◆ Community service.
- ◆ List and describe the nominee's involvement in activities that were beneficial to AEA-Retired, education, and/or the community.
- ◆ Any other relevant information.

Please return completed nomination to

**Kathy Campbell 4540 West Laurie Lane, Glendale, AZ 85302**

## Past Les Reynolds Distinguished Senior Service Winners

2006 - Bertha Myers

2007 - John Campbell

2008 - Ralph Lara

2009 - Barbara Matteson

2010 - Marion Pickens

2011 - Mary Bishop

2012 - Connie Wittig

2013 - Kathy Campbell



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## *AEA-Retired Chapter News*

Chapters are an attempt to bring AEA-Retired closer to members. All AEA-Retired members are eligible to join a chapter where they worked or currently live. Meetings usually include an information program, business meeting, lunch or dinner, and time for socializing with friends and colleagues. Anyone interested in forming a new chapter should contact Chapter Coordinators **Gary Mehok** at [LOJO40@cox.net](mailto:LOJO40@cox.net) or **Suzan Austin** at (480) 947-2089 [suzanaustin@cox.net](mailto:suzanaustin@cox.net).

**Glendale/West Valley Chapter-** All members are welcome at our meetings. The last meeting was Thursday, Dec. 5th, at the Iron Works Restaurant, 17233 N. 45th Avenue, Phoenix. Judy Moy & Susie Sommer were the speakers. The next meeting will be Feb.6 at 4 PM. For more information call **Susie Sommer** at 623-931-6209 or e-mail [ssomer114@aol.com](mailto:ssomer114@aol.com)

**Mesa / East Valley Chapter:** Chapter members met on Wed., Nov. 13th. Guest speakers were John Campbell & Janie Hydrick. The next scheduled meeting is set for 10:30 AM Jan. 15, at the Sunrise Bank Bldg., 63 E. Main Street in Mesa. Guest speaker will be Doug Kilgore, AEA Government Relations. Contact **Janie Hydrick** at [Hydrick@aol.com](mailto:Hydrick@aol.com) or (480) 628-1845 for information.

**Greater Tucson Area Chapter:** Meetings are the third Tues. of Sept.—May. The next meeting will be Jan. 21st. Go to <http://www.azedretired.com/TUCSON/index.html> for more information, or contact **Chip Parsons** at [chipp@cox.net](mailto:chipp@cox.net)

**Phoenix Chapter:** The last meeting was Nov.26, and Ken Bennett spoke about the new WWII monument at Wesley Bolin Plaza. The next meeting will be Jan. 28th, in the dining room at the Beatitudes. For more information contact **Barb Joseph** at (602) 765-0788 or [btjoseph@cox.net](mailto:btjoseph@cox.net).

**White Mountain Chapter:** For information about this chapter, contact **Gary Mehok** at [LOJO40@cox.net](mailto:LOJO40@cox.net)

**Yavapai Chapter:** Contact **Ted Coleman** at [tdashfork@azwildblue.com](mailto:tdashfork@azwildblue.com) for more information about date & location of the next meeting.

**Yuma Chapter:** Please contact **Cindy Michaels** at [lucindamichels@juno.com](mailto:lucindamichels@juno.com) if you are interested in establishing this chapter.

**Scottsdale/Paradise Valley Chapter:** The last meeting was held Nov.18th. Guest speakers were Phil Kim from AXA Advisors and Dee Harrington-Hartwell from Arizona Musicfest. Next meeting is scheduled for Jan. 20th at 11 AM at Macayo's on N. Scottsdale Rd. in Scottsdale. For information contact **Suzan Austin** at (480) 947-2089 or visit <http://www.azedretired.com/SCOTTSDALE/index.html>. Everyone is welcome.

**Southeast Chapter:** The next meeting will be on Jan.9, at 5:00 PM at Ricardo's on South Hwy 92 in Hereford. Please contact **Sally Rosen**, 520-459-0430 or [azcatsally@aol.com](mailto:azcatsally@aol.com) to RSVP.

**Northern Arizona/ Rez Chapter:** Contact **Maryanne Goodluck** at [magoodluck55@yahoo.com](mailto:magoodluck55@yahoo.com) for information and future meeting dates.