NEA Retirement & Benefits Conference

November 4-5, 2010

Some Key Learnings

Juan Zuniga: One of the many new things I learned during this workshop was that we must educate our active and retired members about the difference between a Defined Contribution vs. a Defined Benefit plan. An example given was if a teacher contributed 15% into a DC system, they would only see a 50% return on their money after 35 yrs. In comparison a DB system, which we now have and participate in, would give the participant a 75% return on their money after 35yrs. This is why it is important that we maintain and protect the plan we have in AZ.

Ted Coleman: One of the things that I learned is that the cost of a defined contribution over a defined benefit projected over a 30 year career with a retirement of $2000 a month is very close to $200,000. This is impressive and could be used as a valid talking point. Related to this is the fact that Nebraska and West Virginia have moved away from DC plans to DB plans because of the much higher cost.

Contrary to common talk about Social Security, it is not in trouble. It is good for full benefit payments until 2038, and even if no action is taken, Social Security will be able to provide 75% of benefits forever. In addition, Social Security could be said to be self funding through worker and employer contributions, this does not affect the national debt.

Frank Bing: This was only my second experience with a Retirement and Benefits Forum. The other was in Philadelphia two years ago at the RA. Perhaps it was because I had a larger base of knowledge this time, the Forum seemed to be much more informative than the first one. The presenters this time were all knowledgeable, though some were better presenters than others. The presentation which I found most helpful, and which I think will help us most as we inform our members was the one by Pennsylvania State EA staffer James Henninger-Moss. PSEA has sunk a lot of time, effort, and money into a program which is paying big dividends. I think we will borrow liberally from what they have done so far. You can visit the site at www.psea.org/pensions. There are links galore to help members understand pension issues, and 21(!) sets of talking points for members to use when talking with legislators, neighbors, friends, etc. Visit the site; it's definitely worth your time.

John Campbell: I learned that Obamacare is in difficulty. It seems the interpretaton of various provisions of the law are problematic regarding interpretation. Repeal by R's may be changed to tweeking provisions in the law. My hope is that meaningful alterations are the goal, not repeal. Interpretations by varioius bodies is dificult and meaning is not really factual.

Jean Stephenson: Retirement and Benefits Forum Insights:
I learned that in order to start protecting our Defined Benefit Pension Plan we would need to educate our members to take on our own fight. We would be the ones sympathetic to the legislature trying to

change our pension to a Defined Contribution Plan. Another strategy would be to engage in networking with other retiree groups placed in the same situation we might find ourselves. Other states have fought the fight and have all kinds of resources for our state to use to our advantage.

Gary Mehok: Social Security program is financially on solid ground. It is a "defined benefits" plan. Nationwide the average benefit to retirees is about $13,000 annually. It is an extremely safe investment. 100% paid out until 2037 - after that the payout will be about 70%. Benefits can be paid indefinitely.

Linda Somo: One of the things I learned is that AZ is not the only state facing challenges to our Defined Benefit retirement program. There has been, and will continue to be, legislation introduced in many states to change from a DB program to a DC retirement benefit. NEA has worked with state affiliates to combat this trend, and has developed materials and a tool kit to help states face this challenge to retirement security. A successful model used by some states can be duplicated for our own state. One successful model was called "Keeping the Promise Campaign" (PA).

Judy Moy: I was totally and extremely impressed with the abundance of knowledge of all the speakers at the forum! So much information and so little time to digest most of it! First of all the number 49 as to the age when people begin to think about retirement! I believe this has happened to many people that retired early. Particularly the ones who retired before 55. The rest of us just maybe had an inkling about retirement, but continued in our jobs till we felt the time had come! Secondly, I felt that one of the speakers from PA that shared so much information about how PA shares information on their website with members about their pensions. They have 21+ topic questions for their members to peruse for information. I felt this forum was just the beginning of my learning! Where oh where have I been when all of this conversation was going on?