



THE CONDUIT

Volume 25, Issue 2

December 2010, January 2011

INSIDE THIS ISSUE:

<i>ASRS Report</i>	2
<i>President's Message</i>	3
<i>A Good Reason to Join</i>	3
<i>Les Reynolds Nomination</i>	4
<i>Annual Meeting Registration</i>	5
<i>Retirement/ Benefits Conference</i>	6
<i>Social Security Myths</i>	7
<i>Chapter News</i>	8

Editor's note: There are many photos in this issue for you to enjoy. To get a clearer view, go online to www.arizonaaea.org/pdfs/aear/aearconduit0111.pdf and set the size to 200% or more.



AEA-Retired Calendar

January 11, 2011, AEA-Retired
Board of Directors, 10:00, AEA HQ

February 5, 2011, AEA Committee
Day, 9:00, AEA HQ

February 8, 2011 AEA-Retired
Board of Directors, 10:00, AEA HQ

March 8, 2011 AEA-Retired Board
of Directors, 10:00, AEA HQ

April 28, 2011 AEA-Retired An-
nual Meeting, Mesa, AZ

April 29-30, 2011 AEA-Delegate
Assembly, Mesa AZ

An editorial comment from the Conduit **What's next?**

OK. The election is over, and public education supporters took a good, old-fashioned beating in a tsunami of anti-moderate and anti-progressive voting. There are a few ways we can deal with that reality. One is to play a game that NEA President Dennis Van Roekel calls, "Ain't It Awful?" That's where you commiserate with friends and colleagues by saying to each other things like, "Ain't it awful she won?", or "Ain't it awful that prop passed?" The trouble with Ain't It Awful is that there is no action attached to it. It may make you feel better and righteous for a few minutes, but the problem is still the problem.

That brings us to the second option. Do something! It's true that far-right ideologues have a super majority in both houses, the Superintendent of Public Instruction (don't get me started!), and the governor's seat. While that might make you feel a little helpless, you must remember that gives them complete control of the budget, but at the same time, the gigantic budget crisis which they created is now theirs alone to solve. It will be up to us to keep an eye on legislature, and hold their feet to the fire. You'll need to call, write, send e-mails, and share info with friends and neighbors.

Luckily, you have a way to keep up with breaking legislative news. AEA-Retired Secretary Julie Horwin sends out e-mail blasts whenever there is action on retirement, ASRS, or educational issues. If we don't have your current e-mail address, you can share it with Julie at jhorwin@mindspring.com. She'll make sure you get up-to-the-minute information.

So, what will it be? A rousing game of Ain't It Awful, or being an active member working to keep the legislature on their toes? I sincerely hope that for the sake of Arizona's public school students, parents, employees, and all of our fellow citizens, that you choose the latter.

In solidarity,

Frank Bing

Conduit editor and AEA-Retired VP



Nominations inside for Les Reynolds Award, AEA-Retired Executive Committee, and AEA-DA/ AEA-R Annual Meeting

Start planning now for the AEA Delegate Assembly and AEA-Retired Annual Meeting.. They are tentatively scheduled for April 28, Annual Meeting, and April 29-30, AEA-DA

This year, retired members traveling 150

miles or more will be funded by AEA-R for rooms. We'll also cover mileage after the first 100 at \$.30/mile. Any catch? You have to attend the entire conference. Checks will be distributed on Saturday after 1:00pm.

Dates are contingent on AEA planning. We will work to accommodate any changes caused by a different schedule. Nomination forms are on pages 4-5.



ARIZONA STATE RETIREMENT SYSTEM UPDATE

BY STEVE RAMOS, ASRS CHAIR



Steve Ramos

Facts You Can Use To Defend Your ASRS Retirement System.

In our October issue I provided members with basic information about our retirement plan and warned of attacks that would be coming. The Arizona Republic began the public attacks in an 8 part series running from Nov. 14th through the 21st. The series on retirement systems invites confusion between several retirement plans in Arizona and makes broad generalizations about members and benefits.

Taxpayers *do not* pay our pension benefits; they only pay the employers' contributions to the plan. That amount varies with each plan. ASRS is the only plan in the state that requires an equal contribution from both the employee and employer. Most employers consider their contributions part of your total compensation. In short, our pensions come from our own contributions, benefits we've earned and the accumulated interest over time.

In the area of reform, AEA Retired has worked with the ASRS in recent years to implement the following changes for new members: Raised retirement points from 80 to 85, changed the calculation of benefits from a 3-year salary average to 5 and eliminated employer contribution refunds for those who leave the system. Many states are just beginning to look at these reforms.

When a lack of competitive wages caused a shortage of educators in some areas, the legislature passed a law that provided a limited but legal way to return to work. The number of retirees "double dipping" was further aggravated when private companies exploited a loophole in the law. AEA Retired and ASRS have been working unsuccessfully for 3 years to reform that

law and protect our funds.

The Republic claims it found only 392 retirees earning more than \$100,000 out of all 6 retirement systems. ASRS, even with many administrators, has only .019% over \$100,000. The average age of an ASRS retiree is 60 and the average pension is \$19,700 a year. Despite having no cost of living raises for 7 years, ASRS retirees continue to provide an economic stimulus, rather than a social welfare drain on Arizona's economy.

In 2000 the ASRS system was 100% funded. Downturns in the markets have caused the fund to fall below that mark. Markets are rebounding and the ASRS plan is currently between 75 and 80% funded. ASRS is currently recognized as a "solid performer" and a "national leader" in public pension systems.

If the state wants lower contribution rates, it can offer employees a "cheap" retirement plan. Some are pushing a "defined contribution"(dc) plan that costs more, not less, to administer than our current, safer, "defined benefit"(db) plan. Research shows that individuals, who use a dc or 401k-type savings account as a retirement plan, do a poor job of selecting proper investments and predicting the amount of money they will need to save for their lifetime. Employees take all of the risks associated with the stock market in a dc plan and most plans allow employees to jeopardize their retirement by withdrawing their funds early.

Finally, using averages to claim, "public employees now earn more than private sector employees" is a distortion. The majority of public sector jobs require higher skills, education levels and salaries, significantly raising the average salary. You don't find many minimum wage earners in the public sector. Comparing job for job, the public employee still makes about 12% less than a private sector employee.

Steve Ramos is the long time chair of our ASRS Committee. He attends every meeting of the ASRS Board to make sure we are always up to date.

ASRS Web Site—www.azasrs.gov

PRESIDENT'S MESSAGE

BY LINDA SOMO

November was a rough month for retirees in Arizona and elsewhere. On election day, we lost many of our friends in elected offices who supported education and retirees. We expect the new legislature to consider bills that will try to change our Defined Benefit pension plan, and cut funding for education. The Federal Fiscal Responsibility Commission (charged with reducing the federal deficit) released a chairman's report that targeted cuts to Social Security. Then for eight straight days the *Arizona Republic* had front page articles that managed to whip up the general public's resentment of pensions for public employees. Undoubtedly, you have already read the page 1 article by Vice President Frank Bing which deals with reactions to election losses, and the page 2 article by Steve Ramos that expounds on the stories in the *Arizona Republic* and the threats to our retirement system. We'll keep you informed, and may ask for your help, as the legislative session progresses.

However, I'm not going to dwell on these issues. Instead, I want to turn attention to a much more pleasant future event. In this issue of *The Conduit* you will find two very important pages. Both are part of the upcoming 2011 AEA Retired Annual Meeting and the AEA Delegate Assembly.

Scheduled for Thursday, April 28th, the AEA Retired Annual Meeting is an opportunity to reconnect with other retired colleagues, hear informative, inspiring speakers, learn about important issues, and have fun. The Annual Meeting is open to all AEA Retired members and their guests, but only elected delegates will participate in the election of AEA Retired officers and the ensuing AEA Delegate Assembly, which is scheduled for Friday & Saturday, April 29-30. Registration forms for the Annual Meeting will be available in the March issue of *The Conduit*. **But to be a delegate for the Annual Meeting and the AEA Delegate Assembly, you must submit a nomination form now, which is included in this issue.**

In an attempt to encourage members from all parts of the state to participate in our Annual Meeting and AEA's Delegate Assembly, **AEA Retired will reimburse members who must travel more than 150 miles one way for half the cost of a**



President Linda Somo

double occupancy room for the three nights needed to attend both events (Wed. – Fri.). Don't delay. Fill out that nomination form and send it in prior to the deadline. It would be great to pack the room at our Annual Meeting, and to fill our quota of delegates (one of the largest delegations) for the Delegate Assembly.

One of the highlights of our Annual Meeting is the presentation of our **Les Reynolds Distinguished Senior Service Award**. Given to members who have demonstrated outstanding service to their communities and to AEA Retired, the award is an important part of our luncheon during the Annual Meeting. Recipients in the past have included Marion Pickens, Barbara Matteson, John Campbell, Bob Bloom, and Bertha Myers. **Use the form included in this issue to nominate an AEA Retired member who you believe is deserving of this prestigious award.**

The nomination form is easy to complete, so do it today. We look forward to receiving your nomination.

What are you waiting for? Fill out that delegate nomination form. Send it in. If you know a good candidate for the Les Reynolds award, nominate him/her. I look forward to seeing you in April at the AEA Retired Annual Meeting. With the Annual Meeting, Delegate Assembly, and spending time with you to look forward to, I know that April will be a much brighter month than November.

A Good Reason to Join AEA-Retired



Sylvia Barlow

Sylvia Barlow is a long-time member who taught on the Navajo reservation along with her husband, Danny. Sylvia and Danny were the 2007 recipients of the AEA Christa McAuliffe "I Touch the Future, I Teach" Award. Sylvia was also elected one of the Top 5 Middle School Teachers of the Year.

Sylvia has shared her expertise on culture and language with the state by serving on the Equity in Testing Committee.

She has always been active in association leadership, and continues to do so as a retiree. We're lucky to have her.

Endorsed Provider Advertisement



The NEA Member Care Medicare Supplement provides all of the same plan options and benefits of other Medicare supplement programs. However, the Program offers you more advantages including discounts on dental care, chiropractic care, vision care, hearing care, and vitamins.

For more information, call
Sean Mabey, NEAMB Regional rep
1-(866)-903-0440

The **LES REYNOLDS DISTINGUISHED SENIOR SERVICE AWARD** is presented annually to a member of our association in Appreciation for outstanding service to our Association, public education, and the community. Please take time to nominate a member you believe meets these criteria. Please be specific in completing the form, either in typewritten or word-processor form. You may attach additional information. The committee will not consider partially completed forms.



Les Reynolds and Barbara Matteson (1986)

LES REYNOLDS DISTINGUISHED SENIOR SERVICE AWARD NOMINATION FORM

Nominee Name _____

Address _____

City _____ State _____ Zip _____ - _____ Phone (____) _____ - _____

Nominator's Name _____ Phone _____

Nominee information: Please use this format and use a typewriter or word processor. Attach an additional page, if necessary. There is a two page maximum.

1. Number of years as an AEA-Retired member : _____

2. Association positions held at the local, state, and national levels:

3. Positions held in other professional and/or social organizations:

4. Community service:

5. List and describe the nominee's involvement in activities that were beneficial to AEA-Retired, education and/or his/her community:

6. Other relevant information:

Please return a completed nomination form to **Kathy Campbell** at 4540 W. Laurie Lane, Glendale, AZ 85302
Nomination forms must **arrive** by **January 7, 2011**

Governance: Nomination forms for AEA-Retired Executive Board and AEA-Delegate Assembly

AEA-RETIRED ELECTION 2011

Region 16

Pursuant to Article V and VI of the Association's Constitution, AEA-Retired is currently accepting nominations for the following positions: President, Treasurer, nine (9) at-large board seats. The election of Officers and Board Members will be held during the AEA-Retired Annual Meeting which is scheduled for Thursday, April 28, 2011, at the Marriott in Mesa.

Nominations are due by January 11, 2011.

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 _____

ADDRESS _____ CITY _____ ZIP _____

Signature of Nominator

Signature of Candidate (Candidate must sign)

Check the office you seek

_____ President _____ Treasurer _____ Representative-at-Large (nine (9) to be elected)

All terms are for three years.

NOTE: Please mail nomination forms postmarked by **January 11, 2011** to:
Juan Zuniga, AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004

NOMINATION FORM FOR AEA-RETIRED DELEGATES, REGION 16, TO AEA DELEGATE ASSEMBLY

Concurrent with officer and board nominations, we want, you to run as a delegate to the AEA-R Annual Meeting and Delegate Assembly. We need a minimum of 75 delegates. You may nominate yourself. AEA-Retired delegates, Region 16, are required to attend both the AEA-Retired Annual Meeting on Thursday, April 22, 2010, and the AEA Delegate Assembly on Friday and Saturday, April 29 and 30, 2011. This is a great opportunity to meet with long-time friends, be updated on happenings around the state, and show your support for your statewide local, AEA-Retired. **The deadline for the return of nomination forms is January 11, 2011.** Election of delegates will be by secret ballot. Voting will take place online through AEA, unless individuals request a paper ballot. Voting will take place in February-March. Look for more information in The Conduit, on www.azedretired.com, and in the e-newsletter.

CANDIDATE _____ PHONE _____

ADDRESS _____ CITY _____ ZIP _____

Signature of Candidate

NOTE: Please mail nomination forms postmarked by **January 11, 2010** to:
Juan Zuniga, AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004

Photo Gallery & More News You Need

NEA Retirement & Benefits Conference, November 4-5, 2010, Key Learnings

On November 4-5, eight of our members travelled to the NEA Retirement and Benefits Forum in Silver Spring, MD, at the National Labor College. We were joined by AEA Staffers Doug Kilgore and Jennifer Loredo, and active member Stella Garcia. Here is some of the information we gathered for you, the members.

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, he or she would only see a 50% return on that 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 35 yrs. 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.



*Some guy and three presidents:
Frank Bing, Linda Somo, Barbara
Matteson, Dennis Van Roekel*

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 interpretation of various provisions of the law are problematic regarding interpretation. Repeal by R's may be changed to tweaking provisions in the law. My hope is that meaningful alterations are the goal, not repeal. Interpretations by various bodies is difficult and meaning is not really factual.



*Back: Jennifer Loredo, Ted Coleman, Doug Kilgore, Frank
Bing, Jean Stephenson, Gary Mehok, Barbara Matteson, Linda
Somo, John Campbell, Juan Zuniga. Seated: Judy Moy, Stella
Garcia*

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). Since budget deficits at the state level are cyclical, making permanent structural changes to retirement plans to compensate for a temporary deficit is insane.

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 was amazed at one of the speakers from PA who shared so much information about how PA disseminates 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?

Social Security

Top 5 Social Security Myths

Attacks on Social Security are becoming more and more frequent. A variety of reasons are given for the need to cut benefits, raise the retirement age, etc. In fact, many, if not most of those reasons, are myths. Here are the top five myths, along with a dose of reality, from MoveOn.org.

Myth #1: Social Security is going broke.

Reality: There is no Social Security crisis. By 2023, Social Security will have a \$4.6 trillion surplus (yes, trillion with a 'T'). It can pay out all scheduled benefits for the next quarter-century with no changes whatsoever. After 2037, it'll still be able to pay out 75% of scheduled benefits—and again, that's without any changes. The program started preparing for the Baby Boomers' retirement decades ago. Anyone who insists Social Security is broke probably wants to break it themselves.

Myth #2: We have to raise the retirement age because people are living longer.

Reality: This is a red-herring to trick you into agreeing to benefit cuts. Retirees are living about the same amount of time as they were in the 1930s. The reason average life expectancy is higher is mostly because many fewer people die as children than they did 70 years ago. What's more, what gains there have been are distributed very unevenly—since 1972, life expectancy increased by 6.5 years for workers in the top half of the income brackets, but by less than 2 years for those in the bottom half. But those intent on cutting Social Security love this argument because raising the retirement age is the same as an across-the-board benefit cut.

Myth #3: Benefit cuts are the only way to fix Social Security.

Reality: Social Security doesn't need to be fixed. But if we want

to strengthen it, here's a better way: Make the rich pay their fair share. If the very rich paid taxes on all of their income, Social Security would be sustainable for decades to come. Right now, high earners only pay Social Security taxes on the first \$106,000 of their income. But conservatives insist benefit cuts are the only way because they want to protect the super-rich from paying their fair share.

Myth #4: The Social Security Trust Fund has been raided and is full of IOUs

Reality: Not even close to true. The Social Security Trust Fund isn't full of IOUs, it's full of U.S. Treasury Bonds. And those bonds are backed by the full faith and credit of the United States. The reason Social Security holds only treasury bonds is the same reason many Americans do: The federal government has never missed a single interest payment on its debts. President Bush wanted to put Social Security funds in the stock market—which would have been disastrous—but luckily, he failed. So the trillions of dollars in the Social Security Trust Fund, which are separate from the regular budget, are as safe as can be.

Myth #5: Social Security adds to the deficit

Reality: It's not just wrong—it's impossible! By law, Social Security's funds are separate from the budget, and it must pay its own way. That means that Social Security can't add one penny to the deficit.

Defeating these myths is the first step to stopping Social Security cuts. Can you share this list now?

Share the list and citations for the above facts, by going to <http://pol.moveon.org/ssmyths?id=22140-1923033-ezJzmOx&t=1> <<http://pol.moveon.org/ssmyths?id=22140-1923033-ezJzmOx&t=1>>

AEA-Retired is just a keystroke away; most info about your association is online, available 24 hours a day, seven days a week



Have you ever had a question about your association, but didn't know who to call? Did you ever need some information, but it's late at night, or on the weekend? There's no need to be in the dark. Your association is available online all the time. There are two ways to access AEA-Retired. You could go directly to www.azedretired.com and

find links to nearly anything, calendars, officers and board members phones and e-mails, lists of committees, four years of The Conduit archives- you get the picture. You can access the same info by going to the AEA's web site, www.arizonaaea.org, then following the link to AEA-Retired



The Conduit

aea
Your Retired
Statewide Local

A Publication of AEA-Retired,
An affiliate of NEA-Retired

345 E. Palm Lane
Phoenix, AZ 85004
602-574-1473

aea.retired@arizonaaea.org

Linda Somo	President
Frank Bing	Vice President
Julie Horwin	Secretary
Jean Stephenson	Treasurer
Kathy Campbell	Past President

Conduit Editor
Frank Bing

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 Chapters Chairperson **Gary Mehok** at LOJO40@cox.net.

Please contact your chapter chair for information about the Winter meetings.

Glendale Chapter: Contact **Susie Sommer** for info at (623) 931-6209 or at ssommer114@aol.com

Mesa / East Valley Chapter: Contact **Steve Ramos** at steveramos2@cox.net or (480) 924-0771.

Tucson Chapter: Contact **Chip Parsons** at chipp@cox.net or (520) 791-7847 for additional information.

Phoenix Chapter: Contact new chair **Barb Joseph** at (602) 859-0165 or btjoseph@cox.net, or call her at (602) 765-0788.

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

Prescott Chapter: To join this chapter, contact new chair **Ted Coleman** at tdashfork@azwildblue.com

Yuma Chapter: Please contact **Gary Mehok** at LOJO40@cox.net if you are interested in participating in this chapter.

Paradise Valley/ Scottsdale Chapter: For more info, call **Suzan Austin** (480) 947-2089, suzanaustin@cox.net.

Sierra Vista: Please call Sally Rosen at (520) 249-0233 or e-mail her at Azcatsally@aol.com for more info on the time and dates for the next meetings.

Northeastern Arizona: A chapter is forming to serve the areas from Flagstaff through the northeastern corner of the state. If you're interested in participating, contact **Gary Mehok**, AEA-Retired Chapter chairperson, at LOJO40@cox.net, or **Danny Barlow**, at dsjbarlow@yahoo.com

AEA Retired, YOUR STATEWIDE LOCAL
Affiliated with Arizona Education Association
345 East Palm Lane
Phoenix, Arizona 85004

Presorted Std
U.S. POSTAGE
PAID
PHOENIX AZ
PERMIT NO. 1157