



## INSIDE THIS ISSUE:

<i>ASRS Report</i>	2
<i>ASRS Health Committee</i>	2
<i>President's Message</i>	3
<i>A Good Reason to Join</i>	3
<i>Election Forms</i>	4
<i>The Les Reynolds Distinguished Senior Service Award Nomination Form</i>	5
<i>Legislative Update</i>	6
<i>Guest Column by Liz Hendrickson</i>	7
<i>Chapter News</i>	8

**Editor's note:** There are some photos in this issue for you to enjoy. To get a clearer view, go online to [www.arizonaaea.org/pdfs/aear/aearconduit1011.pdf](http://www.arizonaaea.org/pdfs/aear/aearconduit1011.pdf) and set the size to 200% or more.



## AEA Retired Calendar

December 13– AEA Retired Board of Directors, AEA HQ

January 10– AEA Retired Board of Directors, AEA HQ

February 14– AEA Retired Board of Directors, AEA HQ

February 29 – Education Day at the Capitol

March 13– AEA Retired Board of Directors, AEA HQ

March 28-29—NEA Retired Leadership Conference, San Antonio, TX

# Happy Holidays!

## AEA Retired schedules 24<sup>th</sup> Annual Meeting; focus again on pensions, Social Security and Medicare

Save the date! Friday, April 27, 2012 has been set for the 24<sup>th</sup> AEA Retired Annual Meeting. Beginning at 9:30 AM and ending at 4:00 PM, the meeting will again focus on our state pension program, Social Security, and Medicare, with a special emphasis on what you can do to help preserve them.

For the first time, the Annual Meeting will be held on a Friday, instead of the usual Thursday. The site remains the same, the Mesa Marriott Hotel Conference Center on Centennial Way in downtown Mesa. Because AEA changed its format from a two-day AEA Delegate Assembly to a Friday evening, Saturday event, AEA Retired was able to move its Annual meeting to Friday. AEA Retired Delegates to the Annual Meeting and AEA Delegate Assembly will only need to attend two days of meetings instead of the usual three days.

Events at the Annual Meeting will include knowledgeable guest speakers including ASRS Director Paul Matson, voting for AEA Retired Vice President and an At Large Representative on the Board, socializing with friends and colleagues, presentation of the Les Reynolds Distinguished Senior Service Award, a great lunch (including dessert), and other fun activities. Besides being given a chance to win numerous door prizes, attendees will also have the opportunity to enter drawings for other great prizes. And most importantly, attendees will gain valuable information about their pensions, Social Security, and Medicare.

All members (and their guests) are welcome to attend the Annual Meeting. **However, only elected Delegates to the AEA Delegate Assembly are permitted to vote in the election for AEA Retired officers and Board members.** Delegates are required to attend the AEA Delegate Assembly beginning Friday evening, April 27 and all day Saturday, April 28. Members wishing to serve as a Delegate need to fill out the nomination form included in this newsletter and return it by **Friday, January 6<sup>th</sup>**. Nomination forms for Vice President or At-Large Representative on the AEA Retired Board are also included in this newsletter. **Delegates attending the Annual Meeting and AEA Delegate Assembly who travel more than 100 miles one way will be reimbursed for half the cost of a double occupancy room by AEA Retired.**

So mark your calendar, save the date and plan on attending the 24<sup>th</sup> AEA Retired Annual Meeting, either as a Delegate, or just an attendee. If past years are any indication, you'll have a great time while learning important information. Watch for the registration form in the next issue of *The Conduit*.

## ARIZONA STATE RETIREMENT SYSTEM UPDATE

BY STEVE RAMOS, ASRS CHAIR

### AEA / ASRS FORCED TO DEFEND RETIREMENT SYSTEM AGAINST POLITICAL ATTACKS



Steve Ramos

There will be no 13<sup>th</sup> check this year.

For the first time in history, the actuarial report for the newer ASRS "Plan" will be based on something other than a 50/50 contribution rate split between employees and employers. You may remember that in a late night, last minute deal to balance the budget, the Republican Leadership and the Governor changed the ASRS formula to a 53/47 split, with employees paying the extra 3% and the money being transferred directly into the states general fund. In *Barnes, et al v. State of Arizona et al*, the Arizona Education Association is leading a coalition of public union members in a lawsuit to challenge the constitutionality of the contribution rate change.

The ASRS "Plan" has \$26.598 billion in assets and is 75.1%

In November the Arizona State Retirement System received its end of year actuarial report. A total of 1,493 members still belong to the old, closed, defined contribution "System." Their average age is 78.3. Only 18 of those are active employees. The funded status of the "System" is 90.35%. Despite this shortfall, members' funds are guaranteed by ASRS and the State of Arizona. When funding rises above 105%, a 13<sup>th</sup> check can be awarded by the Board.

funded. There are 525,904 active, inactive and retired members in the "Plan". The number of actives has dropped by 17,476 over the past 3 years and those actives that remain have seen fewer salary increases over that time. Both factors lead to increased liabilities for the "Plan". The number of members retiring continues to increase each year. The average salary of an active member is \$45,571. The average annual pension for retirees is \$19,526. Each year the ASRS Board must set the next year's contribution rates. As a result of the reform legislation and the subsequent lawsuit, the Board has decided to set a single, combined, employee and employer rate of 21.80%. They then authorized ASRS staff to divide the rate 53/47 as required by current law and to change that division as many times as necessary as decisions from court challenges are handed down. Unfortunately, each change requires system adjustments costing in excess of \$100,000.

ASRS Director Paul Matson spent much of the fall appearing before a legislatively mandated Governor's Retirement Study Committee which was charged with determining if ASRS can be converted to a defined contribution system. Matson has detailed the structure of the plan, cited recent improvements and presented an evaluation of salary spiking. I spoke at the Nov. 22<sup>nd</sup> meeting and defended the current defined benefit system. Matson also addressed the issue of the Permanent Benefit Increase and suggested ASRS would be looking at some legislative changes to the PBI to better meet the needs of its members. You can rest assured your AEA Retired will be involved.

### ASRS Health Benefits Committee Report by Richard Spitzer

Open enrollment for ASRS Health Insurance is now completed and any changes that were made will take effect as of January 1, 2012. All members participating in ASRS Medical Health Insurance programs, except the Medicare Senior Supplement coverage, should receive new cards before January 1. The back of the Open Enrollment booklet you received has important telephone numbers and websites for the different insurance services ASRS offers, and you can call the appropriate number for your coverage if you don't receive your new card.



Richard Spitzer

Anyone turning 65 this year and qualifying for Medicare should receive a letter 3 months in advance and should switch to a Medicare plan before the month your Medicare coverage begins. The premium benefit members receive is reduced for Medicare-eligible retirees and you should contact ASRS if you have questions about your options or need help. Your current medical plan will be terminated once you become Medicare-eligible. As you consider alternative Medicare Advantage and Supplement plans, besides the premium, also compare the coverage for hospitalization, skilled nursing, specialized scans, ambulance coverage, Part B, and Part D coverage.

There is a new free prescription discount benefit which includes pets. This is different from the previous plan, and you will need to cut out the card (or print it if you're viewing an online version) found on page 36 of your booklet. This and other discount services offered by many drugstores and grocery stores will sometimes give you more inexpensive prescriptions than the UHC drug coverage. The Well-Card can be used by all ASRS members, even if you don't have an ASRS medical plan.

The SilverSneakers Fitness program is continuing this year and is available to ASRS members enrolled in an ASRS medical plan. Members receive complimentary memberships to fitness clubs across the country. A list of participating clubs is found on pages 38-40 in the booklet. If you live more than 15 miles from a club you can receive a free pedometer by joining the SilverSneakers Fitness program.

United Healthcare also offers Solutions for Caregivers on page 41 and a Care Resource Center for members who need help caring for a relative or friend in need.

# PRESIDENT'S MESSAGE

BY LINDA SOMO

I hope that Charles Dickens will forgive me for taking liberties with his writing, but I cannot help but think that “these are the best of times... these are the worst of times.” For millions of people who are jobless, have lost their homes, and/or have no healthcare, these are the worst of times. But for those of us who are lucky enough to be recipients of a solid Defined Benefit pension system, Social Security, and Medicare, these can be some of the best of times.

I'm not saying we are wealthy and without worries, not by a long shot. But due to the foresight of some very wise people who preceded us, we are the beneficiaries of ingenious anti-poverty programs which have proven to be wildly successful in helping the elderly avoid abject poverty. According to the November *AARP Bulletin*, anyone doubting the value of Social Security need only check the latest national poverty statistics. “More Americans slid into poverty in the past year than at any time in the past four decades. Most vulnerable were people 55 to 64, one in 10 of whom now lives below the poverty line. Over 800,000 people 45 to 64 lost health insurance. By contrast, the economic turmoil of the past year drove far fewer Americans over 65 into poverty. No surprise. That's the segment of the population protected by Medicare and by Social Security – the Ponzi scheme



that isn't.”

As we approach this season of sharing and renewal, I often stop to reflect on the things for which I am grateful. Of course, family, friends and

good health are always at the top of my list. However, I find that I am increasingly grateful for the economic security and peace of mind that our Defined Benefit pension program, Social Security, and Medicare offer. I know that at least my basic needs will always be met. With Congress again proposing to privatize or reduce benefits for Social Security and cut Medicare, and a state Legislative Committee considering changing state pensions to Defined Contribution programs, it is vitally important to fight for maintaining these programs by convincing elected officials that it would be more costly to change them than to keep them. Without these programs, seniors who are now independent, contributing members of society will instead become burdens to society. Moreover, we need to communicate to those younger than ourselves that these earned benefits are their best hope for a secure future retirement. They need to understand the value of what currently exists and the danger to them of changing those programs.

## A Good Reason to Join AEA-Retired



**Susan Sain**

Susan retired in May 2010 from the Paradise Valley District to become the full-time caregiver for her mother, but she immediately became active in AEA Retired by serving on the Board. She is keenly interested in political action and legislative matters and is serving as Co-chair of the Political Action Committee. She has become involved with redistricting and even traveled to Prescott to discuss this issue with the Chapter there. She is always willing to volunteer when there is a need. We look forward to her leadership continuing for a long time!

It is incumbent on us to ensure that future generations have the same retirement benefits we now enjoy. I want my children and grandchildren to also be able to enjoy their “golden years.” Otherwise, the best of times will indeed become the worst of times.





# THE LES REYNOLDS DISTINGUISHED SENIOR SERVICE AWARD

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 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 form to **Kathy Campbell** at AEA Retired, 345 E. Palm Lane, Phoenix, AZ 85004 by **January 6, 2012**.





## Legislative Update by Barbara Matteson

During 2012 there will be many opportunities for our members to become involved in very important election activities at the local, state and national level. The results of these elections will shape our future for many years to come. It will be important that our members are signed up online with AEA and NEA so they can stay informed and become involved. Retirees' voices are respected in their communities and they need to speak up with the facts.

Recent elections here and across the country show that positive change is possible when people get involved. With the help of NEA members, Wisconsin voters recalled two Republican state senators who voted to destroy collective bargaining rights for public employees. They are now gathering signatures to recall the Governor who originated the ill-conceived plan. NEA members in Ohio worked closely with other union members to overturn SB5 which eliminated collective bargaining rights in their state. Members can stay informed and involved by signing up to be education advocates at [www.educationvotes.nea.org](http://www.educationvotes.nea.org). To stay abreast of events at the state legislature as they happen, register to receive important updates at [www.arizonaaea.org/home/34.html](http://www.arizonaaea.org/home/34.html). Join other members on AEA-Retired's Facebook page at [www.facebook.com/AEARetired](http://www.facebook.com/AEARetired), and NEA Retired's Facebook page at [www.facebook.com/groups/nea.retired](http://www.facebook.com/groups/nea.retired). Keep informed, alert and be ready to respond when needed.



### East Valley Chapter Meeting

East Valley Chapter members met on November 9 to enjoy a delicious Thanksgiving luncheon and hear Ed Rapaport, ASRS Manager of Health Care Benefits. He updated members on how to get the most from their health care benefits under ASRS. Each meeting is informative and a chance to socialize and enjoy the company of other education retirees. Come and join us at our next meeting on Wednesday, January 11, 2012!

## Who's Stopping You? *Guest column by Liz Hendrickson*

"Who's stopping you?" Three of the most annoying words in the English language, yet those words, uttered by my long-suffering husband have been the words he always knew would move me from complaining (I call it venting) to action.

As an educator I never used it on my students. I wonder why? Too harsh for elementary kids? More than likely. Now I wished I had used it because in retrospect most of the things that we believe are holding us back are bogus. Baloney. Hooley. Bull\*\*\*\*.

A student would claim that his or her parents or teachers were the ones holding them back, and those of us who have had children would claim that the things we would not allow our children to do were things that were dangerous, and besides, we held the purse strings.

Now that we are all grown up boys and girls we can't pull out the sorry excuses of our parents or the cost. What stops us? Who stops us? Ah, you already know the answer to this. It's fear.

Please don't quote Franklin Roosevelt about only fearing fear. Not because it isn't true. It is true, and it was true. The fact is, however, *that it is rarely true*. Most of our fear is *false* fear.

Notice I didn't say all our fears are false. Probably everyone has experienced that heart-stopping moment when you thought, *this is it*. I remember flying into Phoenix and the pilot decided to try to land in a dust storm – twice. I remember thinking, *there probably won't be much pain*, and then I felt an eerie calm. After the second unsuccessful try the pilot was finally sent to Tucson to land. (He must have been absent the day they learned about wind shears.) An experienced flight mechanic who sat behind me said *she* thought it was all over.

That was a fear that morphed into calm because it was a situation that was completely out of my control. It was not that annoying acronym: F.E.A.R.: false expectations appearing real. It was real. However, the vast, vast majority of my moments of fear had nothing to do with life and death. My moments of fear have mostly been stupid.

Fear of criticism. Fear of ridicule. Fear of another person being angry with me. Fear of not being good enough. Fear of not being able to defend my point of view. Fear of losing what's important to me, like quality public education, good retirement benefits, and quality, affordable healthcare. *Is that what's stopping you*, I asked myself. I decided to get rid of fear and take charge. I'm determined to make a difference by volunteering my time, talents, and money to candidates who support the things that are important to me, speaking out for the things I believe in, and inviting others to join me. How about you?



**The Conduit**



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345 E. Palm Lane  
 Phoenix, AZ 85004  
 602-574-1473  
[aea.retired@arizonaaea.org](mailto:aea.retired@arizonaaea.org)

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

**The Conduit** Guest Editors  
 Suzan Austin, Julie Horwin, Linda Somo

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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 Chapters Chairperson **Gary Mehok** at [LOJO40@cox.net](mailto:LOJO40@cox.net).

**Glendale/West Valley Chapter-** Our latest meeting was held on Dec. 1, 2011. Our members enjoyed each others' company while getting the latest information on AEA activities, pension and insurance. A big thank you to those who donated books and toys for Andrea's Closet. All members are welcome at our meetings. The next meeting will be Thursday, Feb. 2, 2012, 4:00 PM at Ironworks Restaurant at Bel Aire Golf Course. For info contact **Susie Sommer** at <http://www.azedretired.com/GLENDALE/index.html>.

**Mesa / East Valley Chapter:** Chapter members met on Nov. 9 to enjoy a Thanksgiving luncheon, hear guest speaker Ed Rapaport, ASRS manager of healthcare benefits, and receive updates about AEA-Retired/AEA/NEA, ASRS, and legislation affecting seniors. The next scheduled meeting is Wednesday, January 11, 2012. Contact **Steve Ramos** at [steveramos2@cox.net](mailto:steveramos2@cox.net) or (480) 924-0771 for information.

**Greater Tucson Area Chapter:** The Chapter meets at 10 AM the 3rd Tuesday of the month from August through May. The meetings alternate between the AEA Southern Region Office and the TEA Office. The Chapter met November 15 and Antonio Galindo from NEA Member Benefits was our guest speaker. Claudia Jensen gave a presentation on the IMPACT PROGRAM at the UofA. A dinner with potential mentees and mentors will be held Dec. 7. A lively discussion was held concerning the proposed changes to the weighted vote of the AEA-R. The next meeting will be Jan. 17, 2012 at the AEA Southern Region Office. Go to <http://www.azedretired.com/TUCSON/index.html> for more information.

**Phoenix Chapter:** At the most recent meeting we had about a dozen people present. Our speaker was Scott Hawthornthwaite from the Area Agency on Aging. He talked about the three main services available through his agency for support for care givers of dementia and Alzheimer's patients. He had lots of good handouts and some very welcome information. Our next meeting will be Tuesday, Jan. 24, 2012 at Metro Tech HS in the Culinary Dept. beginning at 10:30 AM. For information contact **Barb Joseph** at (602) 859-0165 or (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).

**Prescott Chapter:** A meeting was held on November 18, and the next meeting will be on January 21, 2012, at the Coco's in Prescott. To join this chapter, contact **Ted Coleman** at 602-881-5600 or [tdashfork@azwildblue.com](mailto:tdashfork@azwildblue.com).

**Yuma Chapter:** Please contact **Gary Mehok** at [LOJO40@cox.net](mailto:LOJO40@cox.net) if you are interested in reestablishing this chapter.

**Scottsdale/Paradise Valley Chapter:** The group held a meeting on Monday, November 28 and guest speaker John Campbell discussed the Arizona Alliance for Retired Americans. We decided for our service project everyone who chose to do so would donate a dollar at each meeting to the Communities in Schools organization. The next meeting will be on Monday, January 23, 2012 at Macayo's on N. Scottsdale Rd. from 11AM-1PM. For information contact **Suzan Austin** at (480) 947-2089 or visit <http://www.azedretired.com/SCOTTSDALE/index.html>.

**Southeast Chapter:** We will meet next on Wednesday, January 18, 2012, at 5:00 pm at Sierra Vista's My Big Fat Greek Restaurant. Please RSVP to [azcatsally@aol.com](mailto:azcatsally@aol.com) or [mpmarsh5857@gmail.com](mailto:mpmarsh5857@gmail.com) after January 1. We hope to see everyone there.

**Northern Arizona:** If you are interested in joining this new chapter which has held its first meeting, contact **Maryanne Goodluck** at [magoodluck55@yahoo.com](mailto:magoodluck55@yahoo.com).