

State Universities Annuitants Association



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*Get your spirit on!
Attend the
2017 Annual
Meeting!
Registration begins
Monday, May 22nd*

SUAA Mini Briefing

05.20.2017

The End of Spring Session Nears

Humpty Dumpty sat on a wall,
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Couldn't put Humpty together again.^[2]

ALERT
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The Senate's **Grand Bargain** took a fall this week. Wednesday Senate Bills 1 – 10, 12, 13 plus 16 were severed from the existing Grand Bargain. Senate Bill 11 (Pension reform) had lost early in February. Therefore, Senate Bill 16 became the new Pension Reform legislation (see [vote](#)). SB 16 landed in the House on Thursday, May 18th. House sponsor is Minority Leader Rep. Jim Durkin. It has been assigned to the [House Personnel & Pensions Committee](#) which is scheduled for Tuesday, May 23rd at noon or Wednesday, May 24th. Full committee assignments will most likely be made over the weekend.

House Bills 4027 and 4045 were heard in the House Personnel and Pensions Committee this past Tuesday. Attorney Aaron Maduff testified in opposition on SUAA's behalf for both bills. Later he was interviewed by Terry Martin from Illinois Channel. [Press here](#) to listen to the interview.



Both bills were passed out of committee, but members did not guarantee support on the House Floor. SUAA reiterates its appreciation to Representatives Carol Ammons and Scott Drury for [voting no](#) when the bills were in committee.

Since there are now three possible pension bills in the House, two of which are identical, the one to watch could still be SB 16. HB's 4027 and 4045 are on Third Reading on the House Floor.

These bills are all quite important to those who are currently working – Tier I:

Tier I Offer and Consideration Pension Reform

HB 4027 and 4045 and SB 16 requires each Tier I employee (i.e., each employee who first became a participant of SURS before Jan. 1, 2011, and who is not in the Self-Managed Plan) to elect one of two options:

(1) To accept a reduced and delayed automatic annual increase in retirement (the lesser of 3 percent or ½ of the increase in CPI-U, non-compounded, beginning the January on or after the earlier of age 67 or five years after retirement); or

(2) To keep the current Tier I automatic annual increase in retirement (3 percent compounded, beginning the January after retirement).

Each Tier I employee who elects to accept the reduced and delayed automatic annual increase in retirement will: receive a payment equal to 10 percent of his or her employee contributions made before the effective date of the election (which will not count towards his or her pension); pay reduced employee contributions moving forward (7.2 percent for regular employees and 8.55 percent for public safety employees); and have his or her future earnings increases count towards his or her pension.

Each Tier I employee who elects to keep the current Tier I automatic annual increase in retirement will not have his or her future earnings increases count towards his or her pension.

Generally, the election for Tier I employees will occur between Jan. 1, 2018 and March 31, 2018, and will become effective on July 1, 2018. A Tier I employee who fails to make an election within the required time period is deemed to have chosen to keep the current Tier I automatic annual increase in retirement.

Retirees, Tier II employees (i.e., employees who first became participants of SURS on or after Jan. 1, 2011) and employees in the Self-Managed Plan are not required to make an election.

Beginning Monday - Call your Representative! Oppose Pension Reform Bills. The battle has already been fought and won when [PA 98-599](#) (SB 1) was overturned by the Supreme Court.

Other problems could be on the horizon. Senate Bill 6 – Budget Bill – Article 156, Section 10 states “The sum of \$3,307,000, or so much thereof as may be necessary is appropriated from the General Revenue Fund to the State Universities Retirement System for deposit into the Community College Health Insurance Security Fund for the State’s contributions, as required by law.”

While SB 6 passed the Senate, the Budget Implementation Bill (SB 42) did not. Within the content of the BIMP bill the College Insurance Program (CIP) funding is to stop at the end of Fiscal Year 17. This is also unconstitutional as the Kanerva Lawsuit determined that health insurance **IS** a retirement benefit. SUAA will definitely be pursuing as it has already been

pointed out to legislative staff that this action would be unconstitutional. Interestingly, staff realizes this.

Continuing along the lines of health insurance is the Quality Care Health Plan (QCHP) previously administered by Cigna has been transitioned to Aetna. There seems to be some problems. SUAA is anxious to hear about any negative experiences so these experiences can be discussed at an upcoming meeting with Central Management Services.

The final days of Spring Session will see action but no one is expecting a budget to emerge.

2017 Annual Meeting

June 20 & 21

Registration for the Annual Meeting will begin Monday, May 22nd.

The program will be chocked full of information that will assist SUAA leadership in building their chapter membership.

Senator Andy Manar will be the keynote luncheon speaker - topic is The Attack on Public Education.

SURS will bring the audience up-to-date on investments, funding and their reach-out activities.

A superb presentation will be provided by our State membership co-chairs - Growing Chapter Membership.

How to maneuver through the new SUAA website and the new elements of the new SUAA database. And, learn about SUAA's new APP.

Taxing Pension Income as well as what happened in Congress to the Windfall Elimination and Pension Offset. Pension legislation reform.

A fun pre-dinner spirit reception - be sure to wear your campus colors. Bring campus pennants!

A tribute to retiring Dick Lockhart!

The Business Meeting will be on day two.

The SUAA Foundation will meet before the Annual Meeting begins. The Foundation will also have a luncheon immediately following the SUAA

business meeting. Subject is Social Security and the Windfall Elimination/Pension Offset. The lunch is free. Registration is required. More information to come.

To register for the Annual Meeting press this [link](#). Hotel information is also on this [link](#).

A Trip to Panama is Still an Option!

It is not too late to sign up for the trip to Panama!

Discover Panama: the land between the seas

September 28 – October 6, 2017

is SUAA's next sponsored tour.

Call Collette at 800-581-8942

Refer to booking #769009

Many American live in Panama due to the low cost of living!

Seek it out!



A deposit of \$500 per person due upon reservation

~~March 21, 2017~~ **extended!**

Find more information on the SUAA website!

There will be a video available soon!

Five Reasons Americans Should Choose Panama Over the Caribbean!

(Information taken from Gadling.com website)

1. Panama uses US dollars as its currency
2. Easy reach – short flight – 2.5 hours from Miami
3. Diversity of land – something for everyone
4. No risk of hurricane
5. It is unspoiled

Tripping with SUAA is a fantastic way to meet other SUAA members along with their friends and families.

Find more information on the SUAA [website!](#)