



Matters

MASSACHUSETTS RETIREES UNITED
314 MAIN STREET, UNIT 105, WILMINGTON MA 01887



NEW BOARD MEMBERS ASSUME OFFICE

L-R

Robert Bullerwell, President, Ann Donovan, Secretary, Carole Vernazzarro, BOD, Esther Chamberlain, Treasurer, Jill DiOrio, Vice President, Barry Bell, BOD.

On May 5, 2009, at the Fourth Annual State Meeting, the membership unanimously se-

lected from the nominations submitted the above members as the newest members to join the Mas-

sachusetts Retirees United Board of Directors.

Under their leadership our organization expects to flourish.



YOU'RE INVITED

MRU plans to offer members an opportunity to share their talents at the next MRU Annual State Meeting to be held in May 2010. At the 2009 meeting one of our members, Dick Doyle from Newburyport, shared his experiences as a writer and publisher of a new book, **Winston Churchill was a Catholic Priest**. It is a compilation of years of saved anecdotes about students and teaching. At the State meeting this was available for sale.

Capitalizing on this adventure, the Board of Directors felt that there was a lot of untapped talent among the members.

We are not all writers or publishers, but many possess other significant talent such as photography, the arts, both fine and applied, jewelry making, weaving, knitting and the unusual.

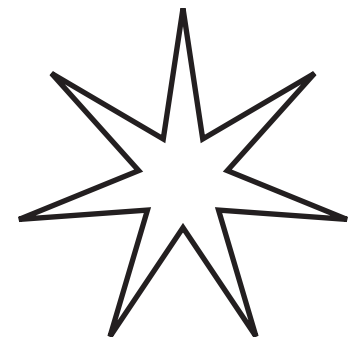
If you feel that you would be interested in displaying and selling your art at the 2010 State meeting, please submit your name, address, telephone number and email along with a brief description of your discipline or hobby to me.

In addition to participating in this endeavor, I am also soliciting ideas about a speaker for the Fifth Annual State Meeting to be held in May 2010.

Please send all suggestions to me at the following email address.

pdelaney@retireesunited.org

Thank you for your interest. I look forward to receive lots of information from you.



State Legislation

All the bills that Massachusetts Retirees United filed have been assigned bill numbers and hearing dates. The hearings will take place in the hearing rooms at the State House, Boston, Massachusetts. Following is a brief synopsis of the bill and the date of the hearing as well as speaking points regarding the bills. All hearings begin at 11:00 a.m. You are invited to attend any of the hearings you wish. You do not have to speak at the hearing, but if you wish you can sign up to speak and then say something as brief as identifying yourself and say, "I stand to support Bill ____ (state the bill number.) A bill can die in committee and never go any further if there isn't interest in the legislation.

Please contact your local Representative and Senator by phone or email, and ask them to send testimony to the Public Service Committee on the bills and request that they ask that the bills be favorably voted out of Committee. Do this repeatedly or at least a couple of times before and after the hearing date. You are their constituent—they work for you. Those of you out of state should email your former Representatives and Senators and let them know that these bills are important to you and your fellow retirees. We all have to move beyond the attitude that wonders if a bill is a benefit to us or not and push for things that we feel are a matter of justice.

S1043 reinstates the payment by the State of a portion of the Medicare B premiums for those under the Group Insurance Commission plan (GIC), filed by Senator Kenneth Donnelly. This was a contract that the GIC had with retirees and was broken in the name of budget balancing.

The bill requests that the State pay the amount of the Medicare B premiums that they formally paid for those under The Group Insurance Commission (GIC). There are some 75 communities of teachers and all those who retired under the State Retirement System that are affected by this. Because GIC forced people to go on Medicare B they paid part (or all) of the premium until Jane Swift took it away to balance her budget with the promise that it would be reinstated when times were better. We know the times are not good at present but there were years that this could have been done and was not. Also, we feel that by allowing the state to go after the health insurance of retirees and get away with it gives permission to all cities and towns to do the same. This is the only bill that has been given a hearing prior to your receiving the newsletter so all you can ask is that your Representative and Senator call Public Service and ask that S1043 be favorably voted out of Committee.

The Public Hearing was at the State House on June 22, 2009 at 11:00 a.m. in A-1.

H2359 filed by Rep. Paul Donato would allow those retired prior to April 1996 and were veterans to receive up to 4 years toward their creditable service providing they do not exceed 80%. If the original bill was to acknowledge the service one rendered for one's country how could those who rendered the service and were retired at the time be ignored? This bill has no buy-back provision, as the IRS will not allow further contribution to your pension amount once you have retired. It does not make the increase payment retroactive to April of 1996 but will begin the month following the month in which the bill becomes law. We were unable to do a survey of this group as the majority of them are under a State or Municipal retirement plan and we do not have access to these lists. For good measure you could also call the veterans' agents at your local city and town halls and ask them to contact your Representatives and Senators and ask for support for this bill.

The Public Hearing is at the State House on Oct. 19, 2009 at 11:00 a.m. in Room A-1

H2487 filed by Jay Kaufman would increase the COLA Base to \$16,000 and then every four years would continue to raise the COLA Base based on a percentage of what the maximum Social Security allowance is at the time.

The maximum Social Security benefit today is approximately \$24,000. What this means is that we will not have to file for a COLA increase but it will be automatic every four years until we reach the Social Security Maximum that is presently \$24,000. We will then always get a COLA increase in the base to stay equal to the Social Security maximum. In addition, the Public Service Committee recommended that COLA's be based on Consumer Price Index changes as determined by the Social Security Administration, or 3%, whichever is greater. This is a very good clause. Please contact your legislator and urge quick action on H2487. Many of the other 104 Retirement systems in Massachusetts are filing and passing legislation that takes the increasing or awarding of the COLA out of the hands of the legislature and puts it in the hands of their respective boards. To my knowledge two retirement systems have already passed this benefit. Those of us retired under the Teachers' Retirement System or the State Retirement System cannot do this. We are at the mercy of the legislature and the governor.

The Public Hearing is at the State House on Oct. 26, 2009 at 11:00 a.m. in Room A-1.

S1060 (Maternity Bill) will allow those who were retired

as of Sept. 2000 and are eligible because they had a child prior to 1975 to receive up to 4 years of maternity benefits similar to what those still teaching received in 2000. Sen. Susan Fargo filed this bill. If the original maternity bill was the correction of an act of discrimination— this bill completes the correction by giving to those who retired by the Sept. date the same benefit as long as they do not exceed the 80%

This bill affects those retired prior to September 2000 and follows the criteria of the Active Teachers' Maternity Bill. It does not have any buy-in, as the IRS will not allow one to contribute to a pension fund once retired. We are not asking that the bill be made retroactive to Sept. 2000, so retirees simply pay for the benefit. In 2000 there were between 2,000 - 2,400 who would have benefited. In 2001 the potential cost was 3.3 M. In 2005 the potential cost was 2.825 M due to the decrease in numbers by death. In 2007 the potential cost was 2.5 to 2.6 M. The cost will decrease at the rate of \$100,000 per year due to deaths. In a survey that was conducted eight years ago the average percent at which these people retired was 56%. The MTRS said that the Maternity Bill attached to Retirement Plus was the correction of an act of discrimination. Yet they compounded the discrimination by neglecting those who had been asked to leave the classroom because they were pregnant and were retired by Sept. 2000.

The Public Hearing is at the State House on Nov. 9, 2009 at 11:00 a.m. in Room A-2.

H2448 is also known as The Reduction of the Option B and Option C Penalties for those retired prior to July 2004. All who retired prior to that date and selected Option B had their pension decreased by 3% instead of the 1% of those retiring after July 2004. It would reduce the penalty to 1%. This bill would reduce the Option C penalty to the lower rate of that enjoyed by those retiring after July 2004. Rep. Thomas A. Golden, Jr. filed this bill.

We feel this is a justice issue. Many of the older retirees have nothing left in their fund under Option B and still receive 2% less in pension than those retiring after July 2004. Also, the Option C penalty of those prior to 2004 is almost twice that of those retiring on larger pensions after that date. The bill allows those who retired prior to July 1, 2004 and took Option B to have the penalty rate reduced to 1% instead of the 3% they had to take. Those who took Option C will have the penalty rate reduced to the new rate, which is approximately half the penalty that they took. In July 2004, PERAC, with legislative approval, decreased the 3% - 5% penalty of Option B to 1% - 2%. Most frequently it is a 1% decrease. In July 2004, PERAC, with legislative approval, decreased the Option C

Massachusetts Retirees United
314 Main Street
Wilmington, MA 01887

Website: retireesunited.org
E-Mail: contact@retireesunited.org
Phone: 1800-680-6077

The MRU Newsletter
Established in 2006
Quarterly Edition
Patricia A. Delaney, Editor

penalty based on new actuarial assumptions. The decrease made the penalty half or less of what it had been previously. For Option B the number of retirees affected at the state level is 13, 637; for Option C it is 6, 194. For Option B the number of teachers retired is 6, 312; for Option C it is 3, 334. (The figures above are accurate as of July 2006.)

The Public Hearing is at the State House on Nov. 16, 2009 at 11:00 a.m. in Room A-2.

H2535 or The Retirement Security Bill would be a one-time attachment to the pensions of those who retired prior to January 1, 1990. It would take the number of years of public service times the number of years retired times two and add that amount of dollars to their pension. Rep. David Nangle filed this bill. We feel this bill is fairer than the Minimum Pension as it gives an amount based on years of service plus years retired to ALL and does not lump all who have 25 years of service or more into the same group while ignoring those with less service but have paltry pensions.

The Public Hearing is at the State House on Nov. 16, 2009 at 11:00 a.m.

In Memory

The Leadership and Membership of MRU offer condolences to the family, friends and former colleagues of ten of our members who have died.

Lois A. Arnold - retired - Peabody Public School
Kathleen Shirley Cowdrey - retired - Billerica Public Schools
Charles P. Jones - retired - Holbrook Public Schools
Beth C. Sjostedt - retired - Weymouth Public Schools
Morris Youdin - retired - Lynn Public Schools
Richard J. Garvey - retired - Lunenburg Public Schools
James A. Stevens - retired - Falmouth Public Schools
Harolyn Bresnick - retired - North Reading Public Schools
Eleanor Glancy - retired - Webster Public Schools
Sylvia Saxe - retired - Malden Public Schools

EXPERIENCED HANK

The lead for a new spot on Channel 7 News invites the viewing audience to

EXPERIENCE HANK – HILLER – HOUSLE!

Well, at MRU's Annual State Meeting held in May 2009, we all EXPERIENCED HANK and it was delightful! Her 30 year love as a reporter made her presentation as an investigative reporter real and informative, as she explained the details of investigative reporting and in particular her job at Channel 7. She tracks down clues to change lives by offering justice to victims.

Hank is also a mystery writer with three publications in print, *Prime Time*, *Face Time* and *Air Time*

Thanks, Hank Phillip Ryan, for your presentation to our members. Please come back again.

From Marie Ardito's Desk

Did I Miss You?

As you know we do not have paid staff at MRU. All dues are deposited and are used entirely for member benefit. Our voice messages are picked up daily or within a day or two by me and I do return phone calls as quickly as I can. Please do not race through the phone number and make sure you give me a correct one. If you do not get a response within three days please call again. If you sent me an email in May and did not get a response it is because you were inadvertently deleted. I no longer have the GIS account and when the company deleted my account they also deleted all messages that had been left for me from April 12 on. So, if you have been waiting for an answer it is because I did not get the question or it was taken before I got a chance to answer. I am sorry for this inconvenience. The best way to contact me for MRU business is via the the following account. mardito@retireesunited.org

Brain Matters

From the John Hopkins Medical Letter "**Health After 50**" came the following important information. A study of 469 people over age 75 found that ballroom dancing was associated with a lowered risk of dementia. The mentally challenging aspects of dancing - remembering intricate dance steps and moving in precise time - may be responsible. Other brain-stimulating activities, such as board games and reading, were also associated with a reduced risk. Dance lessons are widely available but check with your doctor first.

Ask Questions

Most of you retired from the teaching profession. How many times did you say to youngsters, "If you don't understand, ask questions." Many times I would tell the kids that I took a lot of courses over my lifetime but mind reading was not one of them. The only way I would know what they did not understand was if they

told me by asking a question.

Many of us can be guilty of the very same thing. Because we are educators we think we need to have all the answers to everything and are reluctant to ask a question. There is no such thing as a stupid question. So if I can be of assistance in helping you get answers do not hesitate to ask. It may not always be the answer you want to hear but I would be glad to assist in helping you get it if you are having a problem. It will give me the opportunity to learn something as well.

Are you Under Penalty?

One of the projects that MRU is involved with presently is trying to correct the injustice that affects some of you. If you were not eligible for Social Security at age 65 but got your forty units later, you perhaps found yourself under penalty in paying Medicare B. After learning the extent to which some of our members are being penalized, I called Senator Kerry's office. Personally that is not what I felt the penalty was all about and feel there is need of clarification and correction. The person in charge of Medicare for the Senator was not only sympathetic but also shared my concerns. They are anxious to receive written testimony from any of you that are under the Medicare B penalty. The Senate staff has invited me to make a presentation on this and other issues that are of concern regarding retiree issues. You can be sure that the Repeal Bill will be on the agenda as well as this Medicare issue. Please if you have things that concern you that need to be addressed at the federal level let me know. I've got their ear now so let's keep their attention.

Thank You, Senator Kerry

All people collecting Social Security, and even those who should be collecting except for the GPO penalty, have already received a \$250 one-time payment through Social Security in a separate check in May. That is part of the Recovery Act and was supposed to be limited to just those retirees collecting Social Security.

Thanks to our Senator, John Kerry, this was extended as well to everyone collecting a federal or state pension even though they are not eligible for Social Security. Because there wasn't an accurate way to find people a check could not be issued. It could only happen through the IRS.

Those eligible will get the rebate in the form of a tax credit if you are obligated to file taxes or a tax rebate. Just as you have to file state taxes, even if you do not pay to get the Circuit Breaker amount, you will also have to file to get this \$250 rebate. This will be done in 2010 for your 2009 tax year.

Obviously if you were eligible for the Social Security amount in May you will not collect the tax credit as well as the rebate.

Thank you, Senator Kerry, for extending this benefit to those collecting pensions who are not eligible for Social Security.

Stimulus Money For Home, Car Purchase and Window Replacement

You may qualify for the First Time Home buyer Tax Credit in the Stimulus Package. Most of us think that this refers only to those who have never owned property before. Not so. In order to qualify you could not have owned a home in the past three years. So if you sold your home over three years ago and have been living in an apartment and would like to own property again you qualify for up to \$8,000.

Other qualifying elements are: If single, your income must be less than \$75,000 or \$150,000 for a couple. (Higher-income buyers may receive a partial credit.) You must purchase the home between Jan. 1, 2009 and Nov. 30, 2009. The amount you can claim in this credit is 10% of the home's value or \$8,000 whichever is less. Even if you do not file taxes normally, or the amount of taxes you owe is less than the amount you would receive from the stimulus, you would still receive the amount due you from the stimulus by claiming it on the 2009 tax return. You could amend your 2008 form if you wish to receive it sooner than next tax year. Speak to an accountant for this, as there is no line on the 2008 form for this claim. You must live in the home for a minimum of three years or else you must pay the money back.

If you purchase a new car, foreign or domestic, between Feb. 17, 2009 and before Jan. 1, 2010 you may qualify for a tax break on the state and local sales and excise taxes paid on the value up to \$49,000 of the vehicle. Your income for this benefit cannot exceed \$135,000 for a single individual or \$260,000 for a couple. This also applies to light trucks, SUV's, motor homes, or motorcycles that weigh no more than 8,500 pounds. This is a deduction against your taxable income and must be taken on the 2009 tax form. You cannot amend your 2008 taxes for this one. So if the cost of your new vehicle after the trade-in value of your car was \$20,000 with a state sales tax of 5%, it would mean your taxable income would be reduced by \$1,000.

You can get 30% credit on the cost of replacement windows or new slider on the cost of the product not including installation if done by Dec. 31, 2010. The U-value or U-Factor and SHGC must be .30 or less. The purpose of this is that the windows or slider is energy efficient. The maximum credit is \$1500. Save your receipt and make sure the receipt shows only the cost of the product as a separate entity from the installation charges. Outside doors, boilers, and air conditioners are also some of the other things covered under this bill.

Working in Retirement

A bill was filed by Representative Michael J. Rodrigues who represents parts of Fall River and the town of Westport. This bill addresses the issue of working in retirement and the amount one can earn if he/she returns to public service employment after retiring in Massachusetts.

Presently, one retiring from a public sector job in Massachusetts may work in retirement for the federal government or any private sector job and make unlimited amounts and not have any effect on their pension. They may work in the public sector in any state other than Massachusetts and make unlimited amounts without it affecting their pension. If they return to public sector employment, with the exception of being elected to a position after they retire, there is a limit as to the amount they may earn and the number of hours they may work. Both are figured on a calendar year not a contract year.

Teachers may work in the public sector up to a total of 960 hours or the amount that is the difference between what their pension is and their salary would have been had they remained working in the district from which they retired, whichever occurs first. So, if their pension is \$35,000 and they remained working in the position from which they retired their salary including experience and degrees could be \$65,000 and today they could earn up to \$30,000. If they go back to work in January they could earn \$30,000 or work 960 hours, whichever happens first. Then they must stop all work in the public sector in Massachusetts or tell the Teachers' Retirement System to stop their pension checks until they do stop work or the start of a new year.

What Representative Rodrigues' bill, H3734, proposes to do is to increase by \$15,000 the amount a retiree from public sector employment may earn if they return to said employment. So in the above example instead of being able to make \$30,000 one would be able to earn up to \$45,000. It does not propose any changes to the number of hours you may work in the year. If one returns to a job in the education field and the job has been classified as a critical shortage job then the limitation as far as hours and amounts one can earn are waived, Critical shortage classification is determined jointly by the Department of Education and the School District.

This bill has a public hearing on Oct.26, 2009 in hearing room A-1 at 11:00 AM at the State House. If this is something that would be of benefit to you, please plan to attend the hearing and notify your Representative and Senator to support this bill by asking the members of the Public Service Committee to favorably vote H3734 out of committee. Representative Rodrigues is Vice-Chair of the Public Service Committee and obviously believes in the benefits the bill proposes. Phone calls from your Rep and Senator to him will convince him of the importance to get this bill out of committee so it can pass. MRU stands in support of this measure as it is a definite benefit to members who wish to return to public employment in the Commonwealth.

Different Standards for Retiree Health Care Premiums

Recently, I received an email from someone who told me that the retirees from her district would be paying considerably more for their health insurance premiums than those actively working. The person sending the message stated that active employees get to subtract their health insurance premiums from their salaries before their salary is federally taxed and are paying less of the premium. Retirees, on the other hand, pay taxes on the money that they use to pay their health insurance premiums and are paying a higher percentage. The writer asked, Does this sound fair?

This is what I have been arguing about for the past nine years. No, it is not fair. The article following this one will speak to this issue. This one will deal with the different percentages of active over retired.

The federal government has already started shifting the burden of the health care costs to retirees in their Medicare Program in which they have the surcharge for Medicare B. Currently, the federal government pays 75% and the retiree 25% of the Medicare B payments. Under the surcharge this percentage changes, depending on the person's income, and the shift on this surcharge can be as high as the retiree paying 80% of the Medicare B premium and the government paying only 20%.

Because this surcharge does not affect most of us we do not pay any attention to it. We may even rationalize that a single individual retiree whose income is greater than \$85,000 in 2009 should pay more for healthcare costs under Medicare B. Big deal if one is paying 64% of their Medicare B; the Federal Government is still paying 36%. In 2009 if a retiree's income is over \$107,000 the payment becomes 50-50; if the income is over \$160,000 for an individual retiree the percentage is 65% for them and 35% for the Government; and the highest surcharge is for those who in 2009 as individuals are paying 80% and the government 20%; their income would be over \$213,000. They will not be surcharged until 2011 as the surcharge is based on the earnings of two years previous. (For married individuals the earnings are doubled but each is surcharged.)

There are some of you reading this who believe that if one's income is that great then they should pay more of the premium. After all we have to save the Medicare program. Think what you are saying. Does a CEO or Superintendent of schools pay a higher percentage of his/her health care costs than the lowest paying position in their workplace? Definitely not and in most instances probably pay none of their healthcare costs as they have that as part of the contract. Why the dif-

ferent standard for retirees?

To compound the situation for a retiree a lot of things that are not part of their income for tax purposes can be considered part of their income for surcharge purposes. The year you sell your home could you be looking at a surcharge two years down the road on the capital gains of the sale? If you come into an inheritance, sell some stock, or take out your Tax Shelter Annuity or 403b in large amounts, could you be looking to be surcharged?

Why is it based on the salary of two years previous? Because that is the last complete tax form the government has to look at in determining whether you should be surcharged. You don't report to them that you are to pay more for your Medicare B they tell you to pay more.

Does the amount of earnings change? Yes, when the surcharge was first introduced in 2007, based on one's 2005 earnings the earnings started at \$80,000. So there is a slight increase in what one may earn each year.

Is the surcharge on permanently once attached? No, it only affects the years in which your earnings exceed the amounts they have set at the time.

The mayor of the city that set the rates differently for the retiree's health insurance than the active employees held up the fact that it would be 2.8M in savings to do this and look at the jobs they could save by doing it. Also they have a 13M-dollar deficit and this would correct 21.5% of that deficit. What would have been the savings if they had done the same to the actives? After all it is their job that they are saving. The savings would probably be very little as they would have had to give them something in return. With retirees they just take and most of the time we learn about it after the deal has been sealed.

Be alert, as we will see more and more of this for what easier place to balance budgets than on the backs of retirees.

Paying Health Care Premiums with Pre-taxed Dollars

In 1978 a federal law was created that attached an amendment to the Internal Revenue Code that would allow people in the private sector to subtract their health care premiums from their salaries before their salaries were federally taxed. They could also take a portion of their expenses for child care on this pretax dollars. In addition, to paying less in federal taxes they also did not have to pay Social Security on this amount and according to research it meant employees paid about \$160 less per year in FICA taxes as well. Due to the fact that there was a cost to employers to

administer the plan, it was not until the late 1880s that it caught on in the private sector and the mid 1990s in the public sector. States could decide if and when they wanted to adopt the measure. I read somewhere that the federal government did not adopt it for federal employees until the very late 1990s.

Known as Section 125 of the IRS code many of you reading this never heard of it or got any benefits from it. You always paid taxes on your health care premium and so nothing changed for you when you retired. Some say they are already getting to deduct some of their health care premiums from their taxes. That is true if you do the long tax form and if all of your medical expenses exceed a certain percentage of your income.

Recently, Section 125 was amended to allow those retired on a public safety pension to subtract up to \$3,000 of their health care premiums from their pensions before the pensions are federally taxed. That means a savings of \$300 for those in the 10% bracket and more for those in higher brackets as far as what they pay in federal taxes. Police and fire retirees nationwide already enjoy this benefit.

In March 2009 Congressman Joseph Crowley of New York re-filed a bill that he initially filed at the end of Sept. 2008 that would extend to those retired with a public service pension the same rights. **“Healthcare Enhancement for Local Public Servants Act of 2009”** or **HELPS II** legislation to provide a pre-tax deduction of up to \$3,000 to retired public servants for Health or Long Term Care (LTC) insurance premiums. In his introductory comments made to Speaker Pelosi, Crowley stated “that the average monthly pension benefit of a retired public servant is \$1,725 and many do not have Social Security benefits. A significant portion of a retired public servants’ monthly pension check is going towards Health or Long Term Care insurance premiums. In many cases, the retired public servant is using the entire pension benefit to pay for health insurance premiums.” He did his homework now we must do ours.

Federal retirees are on the way to getting the health care pre-tax benefit through H1203, filed by Congressman Chris Van Hollen (MD). They presently have 165 co-sponsors for the bill. Among those signed on are Congressmen Lynch, Capuano, McGovern, and Delahunt of Massachusetts.

Our bill is HR1413 and we must all work to get our Congressman in DC aboard. I cannot believe that the four Congressmen from Massachusetts listed above have more constituents who are federal employees than they have constituents who are retired on a public service pension! Yet none of these four have signed on to our bill. In fact we do not have any of the Mas-

sachusetts delegation aboard. We have our work cut out for us.

The only ones signed on at present are Crowley and McHugh from NY, and Wolf from Virginia. Everyone else reading this has work to do. Email, call, write, visit (they are home during the summer) the office of your Congressman and tell him you want him/her to sign on to co-sponsor HR1413. This is a benefit you need and deserve. Health care costs are going out of sight and it is bad enough paying the costs without paying tax on the money that meets those costs. Ask your friends still working in a public sector job to do the same and ask them to ask their colleagues to do the same. This is federal legislation so it will affect all public sector employees nationwide.

This bill was filed at the request of the American Federation of Teachers, AFT. I received a phone call from DC telling me it is very important for all of us to work hard to get our Representatives to sign on to co-sponsor this bill. It is expected that there is going to be work done on health insurance and health insurance costs in the very near future. I was told this issue could very well be part of the discussion and we must show that public service retirees want this benefit. MRU promises our membership that we will be doing our part this summer to get the word out to retired groups across the country to get their membership to help in getting co-sponsors to the legislation. Please, we need this benefit and we need your help to get it.

Update on Repeal of WEP/GPO

As of June 12 there were 295 members of the House of Representatives signed on to co-sponsor HR 235, the repeal of the WEP/GPO. On the same date there were 29 Senators signed on to co-sponsor the Senate version S484.

MRU recently mailed almost 3,000 Massachusetts teacher retirees living in Florida asking them to help get their Congressional members to sign on as co-sponsors to the Repeal. As a result in just one week Rep. Vern Buchanan joined the other Florida Reps who had already signed on. We expect more from Florida.

MRU emailed our members in New Hampshire where none of the delegation had signed on to either bill. Rep. Paul Hodes has signed on as a co-sponsor. We know we will get more as a result of our members calling in New Hampshire.

Keep up working together on this. In just a few months we are almost at the numbers we had at the end of the last session. Keep up the good work!

FREE SEMINARS

To Move or Not to Move

Pros and cons of housing choices, financial and legal consequences. Tuesday, August 4, 2009 - 10:00 to Noon

UNDERSTANDING

SOCIAL SECURITY AND MEDICARE

How Social Security is factored, penalties, eligibility for Medicare, Medicare surcharge and more. Thursday, August 6, 2009 -10:00 to NOON

Held in Wilmington-314 Main Street, Unit 105

Register 617-482-1568 or 1-800-680-6077

COLA

The COLA is still in both the Senate version of the budget and the House version. When I checked with someone in the know I was told it is expected to remain in the budget and that the Governor is not expected to remove it. I was advised to have our members call their Representatives and Senators and thank them for including a COLA in their budget. They are not used to being thanked. A thank you goes a long way toward protecting the package by our representatives and senators.

At this time the Legislature has already made some changes to pension reform. Many want to know if future reform will affect those already retired. It is the understanding of those involved in pensions that the reforms are aimed at those still actively working and will not be extended to those that are already retired. Do not be surprised to see a change in the calculation of the Final Average Salary. At present it is the three highest years, but this could change to the five highest years. Five years is used by a large number of states. We could also see a cap on the amount of pension one may receive, but again that will apply to those not yet retired.

Most of the reform will be directed toward those retiring from other retirement systems; not the Teachers' Retirement System. The public has a right to be incensed when hearing of the abuses and the resulting high pensions that some have been able to receive when many of them are relying on just Social Security and that is capped. But it is unfortunate that all of us are getting a bad name for the games played by a few. A poorer salary was the price for years that those of us working in the public sector paid for our future pension and healthcare benefits. Retiree pensions may not be in danger from the reforms that are coming but will continue to come from new legislation from Beacon Hill. Unfortunately, however, our healthcare benefits cannot say the same. (See story on Different Standards for Retiree Health Care Premiums).

Reform is definitely needed and hopefully the members of Beacon Hill will seriously deal with it.