

Newsletter

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February 2020



GSRA Members pose with Governor Kemp at the Capitol before embarking on GSRA Day Activities

Members Make 2020 GSRA Day Successful!

GSRA Members gathered under the Gold Dome in Atlanta on February 5, 2020. *GSRA Day* began with a photo with Governor Kemp and continued with updates shared by GSRA President, Jim Sommerville, GSRA Legislative Liaison Chuck Clay, GSRA Legislative Committee Chair Chuck Freedman, and GSRA Legislative Committee member Joseph Drolet. GSRA members visited all Legislative Offices/Members to deliver a GSRA Swag Bag containing the 2020 Goals and Objectives and other GSRA items.

GSRA Members from all corners of the State of Georgia were unified in expressing their concerns to the Legislative members. The failure to receive a Cost of Living Adjustment was foremost in the concerns; however, the increasing cost of Health Insurance, members being billed for out-of-network providers in emergency care, and all issues regarding changes to the retirement and health insurance plans were also of utmost importance.

In the afternoon, GSRA Members attended House and Senate Committees meetings. GSRA in conjunction with the Georgia Public Human Services Association hosted a "Thank You" reception in honor of all Legislative members. The reception was attended by more than 30 Legislators, including the Chairs of both the House and Senate Retirement Committees.

In a short program, GSRA President Sommerville thanked all of Georgia's elected officials for their dedication and support. He then presented Representative Tommy Benton, Chair of the House Retirement Committee with the

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GSRA Legislative Service Award. Chairman Benton was gracious in his acceptance of the Award.



President Sommerville presents Chairman Benton with the GSRA Legislative Service Award

GSRA also presented its long-time Administrative Assistant, Donna Buffum, who is retiring from the position with GSRA, with a proclamation showing its appreciation for her dedication and exemplary service. GSRA Officers and Board thank all of the members who participated in this very important day and reception. President Sommerville proclaimed that the activities were successful in making the General Assembly members aware of the members' concerns.



GSRA's long-time Administrative Assistant, Donna Buffum, accepts appreciation proclamation from Board Member and past President BJ Bennett and Legislative Committee Chair Chuck Freedman

ERS Board Hears Report on Fund Status

At its February meeting, the ERS Board heard a report on the fund's status under certain scenarios, including potential COLAs. The board also received a statement from GSRA requesting COLAs.

Undeterred by stormy weather, fifty-three hardy GSRA members attended the February 20, 2020 meeting of the Employees' Retirement System Board of Trustees.

The bi-monthly meeting featured a thorough look at the future financial picture for the retirement fund and the efforts by the Board to insure its long-term stability. Executive Director Jim Potvin explained how efforts since 2012 have helped strengthen the fund, which, nonetheless, still remains funded at 75.3% of liability. Present projections indicate the fund will not be fully funded until the mid-2030s. Potvin then presented, for the Board to consider, projections on various alternatives for providing COLAs ranging from 1% to 3%. Most such projections would diminish to some extent the long-term stability of the

fund. Mr. Potvin used a series of graphics in his presentation and has agreed to write an article for our March newsletter which will explain his analysis more completely.

During the meeting, GSRA Legislative Committee Chairman Chuck Freedman was afforded an opportunity to make a presentation to the Board and used the opportunity to explain the need to increase one of the main funding sources to the fund –the Actuarially Determined Employer Contribution (ADEC). Freedman also agreed with suggestions that the Board's guidelines for determining how to award COLAs should be revisited, and he offered cooperation from GSRA in that effort. Freedman's complete remarks can be <u>read here</u>.

At the Board's next meeting, in April, decisions will be made on COLAs or other adjustments for the coming year. It will be critically important for GSRA members to turn out in equal or greater numbers to emphasize to the Board the importance of COLAs to our membership.

Slow Session to Halfway Point: Many Issues Undecided

As of February 27, the General Assembly had completed 20 days. This is much slower than usual because of a 1 ¹/₂ week adjournment for the House to work on the amended FY 20 budget submitted by the governor. That work was completed, the bill passed and was sent to the Senate. The House is now working on the "big" FY 21 budget. The governor's proposed budget did not contain any money for any kind of benefit adjustment -- one-time or COLA -- nor did it not contain any language urging or even suggesting that the ERS board grant an adjustment.

GSRA has a record four bills being introduced this year:

- HB 821, originally by Rep. Buckner and now by Rep. Sainz, would remove the prohibition against COLAs for members of the Judicial Retirement System, Legislative Retirement System, and GSEPS. Rep. Greene had previously signed onto the bill. HB 821 was favorably reported by committee and now sits in Rules awaiting action by the full House.
- SB 26 by Sen. Ligon is still alive. This bill would allow members of the state's defined contribution plan to buy equivalent credit in the state's defined benefit plan. This bill passed the Senate and awaits action by the House.
- Sen. Randy Robertson has agreed to introduce a bill for GSRA that would require that

appointing authorities to consider nominees from retiree organizations with more than 1,000 members (i.e., GSRA) for the three ERS board members who do not serve *ex officio*. The appointing authorities are the governor for one member, and the remaining board members for two other members. This bill has not yet been introduced.

• HB 391 by Retirement Committee Chairman Tommy Benton would require ERS to make available to GSRA the names and contact information of ERS members. With ERS having implemented steps that make available contact information for some ERS members, Chairman Benton is holding onto his bill for now.

There are a host of other retirement bills both new this year and held over from last year. SB 294, HB 789 and HB 830, by the respective retirement committee chairs, address alternative investments. SB 294 deletes the current law provision which prohibits the TRS from making alternative investments. The TRS organizations with which GSRA has been in contact do not oppose this bill, so GSRA has not taken a stance. SB 294 was favorably reported by the Senate Retirement Committee. HB 789 and HB 830 both would raise the maximum percentage of large retirement systems' pension funds' alternative investments from 5% to 10%. TRS retiree groups as well as GSRA oppose these bills, but they were favorably reported by the House Retirement Committee.

The most relevant of the other retirement bills for GSRA members are:

- SB 47 by Chairman Ellis Black would allow ERS members with at least two years of military service to purchase up to five years of service by paying full actuarial costs. Payment can be either lump sum or in instalments. SB 47 passed the Senate and is in the House.
- SB 262 by Sen. Harbison provides that if a member who elected option two upon retirement (continued payments to the member's beneficiary) is predeceased by the beneficiary, the member shall be eligible to make a new retirement election or nominate another person to become the contingent beneficiary. This bill passed the Senate and is in the House.

There are also many bills to reduce or eliminate the incidence of "surprise" medical billing. Two parallel bills, SB 359 by Sen. Hufstetler and HB 888 by Rep.

Hawkins, were the product of extensive discussions over the summer to resolve conflicts between medical providers and insurance companies. These bills in essence eliminate surprise billing for emergency services and provide for an arbitration process to be established for claim disputes. GSRA has actively supported both bills.

GSRA in the last few weeks has been asked to take a position on bills which potentially impact drug prices and insurance premiums by establishing parameters on pharmaceutical benefit management companies (PBMs). The bills potentially impact patients' access to drugs. PBM companies are often aligned with insurance companies and/or pharmacies -- including mail order pharmacies. Many PBMs are either owned by chain pharmacies or own chain pharmacies. Some serve as middlemen between insurers and pharmaceutical manufacturers. SB 313 by Sen. Burke and HB 946 by Rep. Knight are parallel, complicated bills which provide for transparency, pricing parameters, and enforcement. The symptoms are profound; the underlying problems are unclear. Fiscal notes/third party analyses have been requested for these bills. GSRA has hesitated taking positions on the bills until these are completed.



Jim's View: February Has Been a Good Month

The month of February has been a good month for GSRA.

GSRA Day at the Capitol held on February 5th was a great event. It takes a lot of volunteers and volunteer hours to pull this event off and have it be a success. Thanks to all of you who either volunteered to help with this event or attended it. This event is one of our main events and it is very important to our legislative lobbying effort that it be well attended. I am confident that GSRA Day made an impact on the members of the General Assembly. I, along with Joseph Drolet and Chuck Freedman were able to have meaningful meetings on the 5th with the State Auditor (who is also an ERS Board member), the Chairman of the House Retirement Committee, and the House Rules Committee Chairman, among others. We were able to have these important meetings because we were not needed to ensure that every Representative and Senator office was visited by a GSRA member. So again, thank you for your attendance on the 5th.

In February, the House Retirement Committee voted unanimously in support of our Bill (one of four bills that GSRA has had introduced this session), sponsored by Representative Buckner and co-signed by Representative Greene, that would remove the prohibition against COLAs from all retirement systems. Imagine that. GSRA was able to draft a Bill, find a sponsor and successfully lobby to get it passed out from committee. While the Bill's passage by both houses and signing by the Governor is not assured, it is still an example of how far GSRA has come as an organization.

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Another key event in February was the meeting of the ERS Board. We very much appreciated the willingness of the ERS Board and Executive Director Jim Potvin to adjust the agenda to allow us a few minutes to address the Board. Chuck Freedman gave a fantastic speech. His speech was made all the more impactful on the Board by the overwhelming number of GSRA members in attendance. I cannot thank you enough for your response to our action alert! We will need a similar response for April's ERS Board meeting.

These next couple of months are very critical for GSRA if we are going to be successful in attaining our 2020 legislative goals. I am confident that when called on for help, you will provide the same level of support for GSRA that you provided to GSRA in February.

Jim

Local Chapter News

Georgia Retired Educators (GRE) cds2w1

The GRE Chapter of GSRA held its winter breakfast meeting at 10 o'clock am on Monday, January 20, 2020 at the Holiday Inn, Northlake in Atlanta. Twenty members and three guests attended.

Janie Smith updated the group about plans for participation in events sponsored by GSRA, including *GSRA Day at the Capitol & Legislative Reception* on February 5, 2020 and the 2020 Annual Meeting, scheduled for Monday & Tuesday, October 19-20, 2020 at the Anderson Center in Macon.

BH Tech Group, including Nancy Stith (Operations Manager), and Instructors Malcolm Wills (iPhone) and David Oblinger (android) presented the meeting program, *Smart Phone Tips & Tricks*. Attendees were split into two groups based on their smartphone type so instruction could be tailored to the specific instrument. It was an informal, hands-on experience.

The most important thing several learned was how to fill out their Medical ID on their smart phones. Others valued new tips and tricks on camera usage, including how to take a panorama picture of a crowd and how to edit pictures, and how to make folders in which to store their applications. The program was enthusiastically received by the meeting attendees.



GRE members at their winter breakfast meeting

Attend the April ERS Board Meeting

The most important ERS Board meeting of the year is coming up in April. This is the meeting where the ERS Board considers and votes on whether or not to award COLAs to the retirement systems they oversee. GSRA members need to turn out at the ERS office in force!

When: April 16, 2020, 10:00 am Where: 2 Northside 75 NW, Atlanta

GSRA is on the ERS Website!

As part of GSRA's continuing efforts to attract and educate new members, and as part of our on-going partnership with them, ERS currently has information about GSRA on its website under the Publications/News menu item.

Click here to read <u>The 5 Ws & H of</u> <u>GSRA</u> news item on the ERS website.



CDC Coronavirus Advice

There are no confirmed cases of Coronavirus (Corvid-19) in Georgia at this time. However, it can be serious, and here are ways to keep yourself safe, according to the Centers for Disease Control and Prevention.

<u>Click here</u> for ways to keep yourself safe and minimize your risk.



Donate to GSRA Legal Fund

GSRA's Legal Fund was established as a dedicated legal fund in the event that leadership, on behalf of its members, ever has to retain legal counsel. The fund will be used to cover all appropriate legal fees related to ensuring that retiree benefits are not reduced or eliminated.

Every donation makes a difference. For more information and to donate to this fund click on the link below.

GSRA Legal Fund

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