

Voices of Experience

Newsletter for OEA-Retired

Omaha Education Association–Retired is an affiliate of NSEA-Retired and NEA-Retired
Roger Rea, Editor – email: rea68154@yahoo.com www.oearthired.org October 2017

Changes in OSERS to be highlighted at Oct. 26 OEA-Retired meeting

The Omaha School Employees' Retirement System, OSERS, has undergone several major changes as a result of the passage of LB 447 (which was enacted in 2016) and LB 415 (which was enacted in 2017). LB 447 changed the governance model for OSERS, modified the benefits for new hires, and moved the investments to the Nebraska Investment Council, NIC, as of January 1, 2017. LB 415 further modified the benefits for new hires and had provisions that would restrict how soon retired teachers could substitute teach after they retired. Those provisions (often called "return to work" provisions) were removed from the bill and placed into an Interim Study (LR 202) for further review and possible action in the 2018 legislative session. More details on the proposed changes in "return to work" can be found elsewhere in this newsletter.

The low-interest, low-inflation environment that has been characteristic of the financial markets for the past fifteen years has caused many consultants to lower their expected rates of return for investments in general. NIC uses a target return of

7.5% for the retirement funds that they manage. Since NIC now invests all of the money in the OSERS Trust Fund, OSERS lowered the expected rate of return from 8% to 7.5% going forward. The OSERS actuary is using the new 7.5% return assumption to establish required contributions for the coming year.

Cecelia Carter, OSERS Director, will attend the October 26th OEA-Retired meeting. She will address the changes that OSERS has undergone and answer any questions members may have about their retirement benefits.

Also on the agenda for the October meeting is a sneak-peek at possible legislation that will reduce the state income tax burden on Social Security incomes. Mark Thursday, October 26 on your calendar now, and plan to attend this informative meeting for OEA-Retired members. The meeting will start at 10:00 a.m. in the OEA Office, 4202 S. 57th Street. Call the OEA at 402-346-0400 if you need driving directions to the office. The meeting will conclude by 11:30 a.m.

Medicare and early-retiree insurance seminars set for Nov. 6

NSEA-Retired and Blue Cross of Nebraska will team to host four seminars at various locations around the state on health insurance for both Medicare-eligible members and members who participate in the Educators Health Alliance (EHA) Blue Cross plan prior to age 65. Omaha area members are invited to the seminar to be held on Monday, November 6 at the Institute for the Culinary Arts on the Fort Omaha Campus of Metro Community College, Building 22 (Room 201A) at 5730 N. 30th Street.

The morning session will start at 9:30 a.m. and will be devoted to Medicare information. Information will be shared on the basics of Medicare; the benefits provided by NSEA-Retired BlueSenior Classic, the Medicare supplement endorsed by NSEA-Retired and underwritten by Blue Cross of Nebraska; changes in Medicare Part D (the prescription drug benefit for Medicare); and how to use the Internet to find an appropriate Medicare Part D provider.

The afternoon session will start at 1:30 p.m. and will be devoted to the four options that retirees younger than 65 have from EHA: (a) \$900 deductible; (b) \$2,000 deductible; (c) \$3,500 deductible policy that is eligible for a Health Savings Account (HSA); and (d) \$4,000 deductible policy that is eligible for an HSA. The procedure for changing health insurance plans will be described as well as the differences among the four options that are available to retirees. Members can save more than \$1,000 per year in premiums by changing to a higher deductible plan. Subscribers over age 55 who change to the \$3,500 deductible policy can set up a Health Savings Account and deposit up to \$4,450 (the individual contribution maximum for 2018) into the account to be used to pay for medical expenses on a pre-tax basis. Members wishing to change EHA insurance policies must file an application for change by December 1, 2017 in order to have an effective date of January 1, 2018 for the new plan.

If you plan to attend one or more of the seminars, please register by going to bit.ly/nsear2017rsvp. The registration link will ask you which session or sessions you plan to attend. Several individuals can be registered at the same time. You will get a screen confirming your registration, but no additional email will be sent to remind you of the session details. You can also visit the NSEA-Retired web site, www.nsea.org/retired,

for updated information, and a live link to the registration for the seminars.

Health insurance is an important aspect of retired life. Mark the November 6 date on your calendar now, and plan to attend. Learn how you can take advantage of the benefits provided by different EHA plans prior to age 65 and what benefits you can enjoy once you make the transition to Medicare at age 65.

OEA-Retired election results

At the May 18th meeting of OEA-Retired, Ruby Davis was elected Secretary, Richard Hood was re-elected as an At-large Director, and Doreen Jankovich was elected as an At-large Director.

The OEA-Retired officers for 2017-18, and their terms of office, are:

President = Cheryl Richardson (2016-2019)

Vice President = Walta Sue Dodd (2016-2019)

Secretary = Ruby M. Davis (2017-2020)

At-large Directors = Richard Hood (2017-2020); Tamara M. Bailey (2016-2019); Doreen Jankovich (2017-2020); Scott McGinty (2016-2019)

Bookkeeper = Roger Rea

Omaha Campus of Metro Community College, Building 22 (Room 201A) at 5730 N. 30th Street

Dec. 14, Thurs. – Tax Tips, Wills and Gifting to Family Members (Bridget O'Malley),

Feb. 13, Tues. – NSEA-Retired Lobby Day in Lincoln, 9 a.m. – 2 p.m.

Feb. 15, Thurs. – NEA Member Benefits and OPS Board of Education update

May 10, Thurs. – Nebraska State Tourism (no OEA-Retired elections this year!)

If OPS schools are closed due to inclement weather on the date of our meeting, the OEA-Retired meeting will be canceled. Notice will be sent out if the session is re-scheduled for a later date.

NSEA-Retired fall conference held in Aurora, Tuesday, Oct. 24

The fall conference for NSEA-Retired will be held at the Leadership Center in Aurora on Tuesday, October 24th. The agenda was being developed at the time this newsletter went to press. A pre-conference event is planned for the evening of October 23rd. The conference will feature keynote speakers and sectional meetings on topics of interest to retirees. A complete conference agenda is posted on the NSEA-Retired web page.

You can register for the conference now by visiting the NSEA-Retired web page, www.nsea.org/retired, or by calling Rebecca Smith at NSEA, 1-800-742-0047. There is no fee for members to attend the conference; guests pay \$10 at the door.

OEA-Retired meeting calendar set

OEA-Retired will have four general meetings this year. Unless otherwise noted, the meetings will be held at the OEA office, 4202 South 57th Street, from 10:00 – 11:30 a.m. The meeting dates and tentative programs as well as NSEA-Retired meetings of note are:

Oct. 24, Tues. – NSEA-Retired Fall Conference in Aurora, 9 a.m. – 4 p.m.

Oct. 26, Thurs. – Cecelia Carter and the OSERS Retirement System

Nov. 6, Mon. – NSEA-Retired Medicare Seminar 9:30 – 11:30 a.m.; EHA Options Seminar 1:30 – 3:30 p.m. at Institute for Culinary Arts, Fort

New dental benefits and rate increase for EHA early-retiree coverage

By: Roger Rea, NSEA-Retired Vice President

Retirees younger than 65 who are insured through the Educators Health Alliance (EHA) early-retiree insurance program will have a slightly different dental benefit beginning September 1, 2017. The new dental benefit for retirees younger than 65 will be slightly better for preventative and diagnostic care (e.g. office visits, cleaning and X-rays), and will be slightly lower for maintenance and simple restorative care (e.g. silver amalgam fillings) than last year. Complex restorative dentistry (e.g.

crowns and bridges) will be paid at the same level as they were in the past.

Beginning September 1, 2017, routine dental visits and X-rays will be paid at 100% of the allowable charges (up from 80% last year). Simple restorative care will be covered at 75/25 coinsurance after a \$25 deductible has been met. Complex restorative dentistry will be covered at 50/50 coinsurance after a \$25 deductible has been met. The \$25 deductible amount is a one-time payment

for the year and covers either simple or complex restorative care.

The new dental benefit provides greater emphasis on preventative care. In order to keep the new benefits cost-neutral, slight increases in copayments for other covered services were added.

EHA premiums for retirees younger than 65 increased by 7.99% on September 1. This marks the 15th consecutive year that EHA rates have increased by less than 10%. There are no changes in deductibles, drug copays or out-of-pocket limits for

2017-18.

The table displays the new premiums that are effective September 1, 2017. The premiums include PPO dental for the coverage levels. If you do not have full dental coverage for all of your

Retiree Health Plan	Renewal rates effective September 1, 2017			
	Employee	Ee & Child(ren)	Ee & Spouse	Family
\$900 deductible	\$697.39	\$1,238.46	\$1,464.47	\$1,855.98
\$2,000 deductible	\$592.90	\$1,053.19	\$1,245.02	\$1,578.56
\$3,500 Deductible HSA-eligible	\$592.90	\$1,053.19	\$1,245.02	\$1,578.56

dependents, your rates will be lower than those displayed in the table. For more details, and to view a 21-minute webinar on the new plan options, visit the EHA web page, www.ehaplan.org.

President's Message

By: Cheryl Richardson, OEA-Retired President

The Omaha Public Schools school year had a great beginning with the assistance of Omaha Education Association Retired. Once again we helped serve lunch to over 400 new hires in the Omaha Public Schools. The new hires seem to *get* younger every year. The OEA Retired board met in August for our annual meeting to plan the year's activities, and we have some great meetings planned for the year ahead. Together, we can shape the future for us and the upcoming retiring teachers, using our unified vision, wisdom, observations and professionalism, and we look forward to a splendid year working together. *Now, more than ever, the commitment continues.*

Thanks so much for your help!

August 2, 2017 was a big day for Omaha Public Schools when over 400 new teachers were welcomed to the district at Bryan High School. Burke High was in the midst of a construction project, and the move to Bryan worked out magnificently! The Omaha Education Association and OEA-Retired members served lunch to everyone. OEA signed up over 150 new members at the luncheon and gave T-shirts and member folders to all of the new members.

None of this would have been accomplished without the efforts of OEA-Retired. A big "Thank You!" goes to Liz Rea, Nancy Horning, Susan Kalina, Carol Krejci, Doreen Jankovich, Deb Paris, Ruby Davis,

Tamara Bailey, Walta Sue Dodd, and Cheryl Richardson for their help in making this a successful event.

Pay your OEA-Retired dues now!

NSEA now handles the billing process for annual OEA-Retired memberships. OEA-Retired annual memberships are billed in two installments: (a) one installment is billed in August. It has state and national retired dues as well as the NSEA Special Services fees; (b) a second installment is billed in late October or early November, and includes the local retired dues amount.

NEA-Retired annual dues increased by \$5 for this year. The annual dues for the combined retired organizations (NEA-Retired, NSEA-Retired, and OEA-Retired) will be \$70 for the 2017-18 association year. Annual members for OEA-Retired will receive a dues notice for 2017-18 soon. Be sure to return the dues notice along with your annual dues payment in order to keep your member benefits intact! Annual members from last year as well as individuals who retired at the end of the 2016-17 school year are receiving a complimentary copy of this issue of *Voices of Experience*. Your name will be dropped from the mailing list if you do not pay your dues when you receive your local dues notice. If you retired in June of 2017 and misplaced the membership application, please contact Lorrie at the OEA, 402.346.0400, for a replacement.

Changes proposed for retirees who want to substitute teach

By: Roger Rea, NSEA-Retired Vice President

When changes are made in retirement benefits, those changes generally affect only future employees, not current employees or retired members of that retirement plan. This protection is

known as "impairment of contracts prohibition," a right that is granted in Article I, Section 10 of the United States Constitution. This clause was added to the Constitution to prohibit states from interfering

in private contacts. The retirement benefits that workers have are a contractual right, and therefore cannot be changed for the existing workers (which would impair their contractual rights), but can be changed for future workers.

LB 415, which passed during the 2017 legislative session, specified changes in benefits for workers hired after July 1, 2018, but did not impact any current teacher or current retiree. However, the original bill did modify how retirees could work after retirement, but those modifications were removed before final passage of the bill. The modifications are known as "return to work rules," and would impact how soon a retiree could return to work for his/her former school district, either as a substitute teacher or as a full-time employee.

The original draft of LB 415 would have imposed these restrictions on returning to work:

- Prohibit any school employee retiring after July 1, 2017 from teaching, substituting or volunteering in any school district in the state for a period of 180 days.
- Prohibit any school employee receiving an early-leaving incentive payment from working in any capacity or volunteering in any school district in the state for a period of three years after retirement.
- Require any school employee who retires after July 1, 2017 to sign an oath that they would not return to work or volunteer in any capacity for the period of time specified above.
- Require all school districts to monitor each retiree to ensure that they have not returned to work or volunteered for the period of time specified above and submit a report to the retirement system.

OEA-Retired

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- Retirees who violated these provisions would forfeit all retirement benefits that they had received as a penalty for the violation, and would be subject to criminal prosecution.

Senator Mark Kolterman dropped those provisions of LB 415 for the final reading of the bill. However, he introduced LR 202 at the same time. LR 202 requires that an interim study be completed on the "return to work" rules that are now in effect. The current rules are that school employees can substitute on an occasional, part-time basis during the first 180 days of their retirement, and may accept full-time employment after that. LR 202 will "... examine bona fide severance of employment compliance requirements under the Internal Revenue Code as related to maintaining section 401 (a) qualified defined benefit retirement plans."

No hearing date for LR 202 had been scheduled by the time this newsletter went to press.

The debate about how soon school employees can return to work will continue into the next legislative session.

OPS considers new bond issue

The Omaha Public School Bond issued in 2014 is producing great progress, and all projects are tracking to be completed on budget and on schedule. Renovations at eight schools were completed this summer. Fourteen additional schools are working with contractors to complete renovations and new construction by the end of 2019.

OPS will be seeking a follow-up with a new school bond in 2018 to build two new high schools, a middle school and two elementary schools on the land purchased with the 2014 bond. Nineteen schools

scheduled to have key items addressed with the passage of the next school bond in 2018 include: Benson High, Blackburn High, King Elementary, Central High, North High, Conestoga, Adams, Edison, Lewis and Clark Middle School, Masters, Pinewood, Morton Middle School, Northwest High, Catlin, Burke High, Highland, Bryan Senior High, Spring Lake, and South High. Key items for completion include updating and modernizing air handling units, boilers, chillers, fan coil units, water heaters, roofs, paving and additions. The last major bond issue was passed about 20 years ago. The new bond issue will keep buildings up to date, safe and secure for student learning for many years.