

Voices of Experience

Newsletter for OEA-Retired

Omaha Education Association–Retired is an affiliate of NSEA-Retired and NEA-Retired
Roger Rea, Editor – email: rrea68154@yahoo.com www.oearthretired.org December 2017

Changes in tax policy to be focus of Dec. 14 meeting

Congress is considering several changes to tax policy for 2018 and beyond, and many of those potential changes will impact retirees. Bridget O'Malley-Tynan from Tax Help, founded by Pat O'Malley, will be the main speaker at the Thursday, December 14th meeting for OEA-Retired, and will give a summary of the changes that are being considered and the impact that they would have.

A few changes in tax law will impact your 2017 tax preparation. You will learn what those changes are and what you need to know to take advantage of them as you prepare your 2017 tax return. Strategies you can use to minimize your tax liability based on current language in the tax code will also be shared. Many retirees younger than 65 have changed or are thinking about changing their health insurance to a policy that is eligible for a Health Savings Account (HSA). Learn how Health Savings Accounts can lower your expenses, including the new contribution limits for 2018.

Social Security benefits are available as early as age 62, but the early payments are lower than they would be if you wait until your full retirement age to begin taking Social Security. Social Security benefits increase each year if you delay taking payments until age 70. Bridget will

outline the differences between taking Social Security when you first become eligible vs. delaying payments, and give tips and pitfalls regarding taking your benefits early or late.

Seniors often accumulate substantial wealth during their lives and want to find ways to distribute that wealth to either their heirs or to worthy causes. Bridget will address several ways that you can distribute your assets, both while you are still living and after you die. The “how-tos” of Section 529 College Savings Plans will be revealed, as will ways to set up and fund your own charitable trust while you are still alive.

The recent Equifax security breach has impacted many individuals. Seniors are often the target of identity theft and fraud. Our speaker will address ways to become less of a target for identity theft and scams as well as any steps you need to take to avoid problems associated with the Equifax security breach.

The Thursday, December 14th meeting will be held at the OEA Office, 4202 S. 57th Street, from 10:00 a.m. to 11:30 a.m. If you need driving directions, please call the OEA office at 402-346-0400.

OSERS provides two COLA adjustments

By: Roger Rea, OSERS Trustee

Inflation is the enemy of anyone who is retired and dependent upon a fixed income. Social Security incomes are automatically increased by the consumer price index (CPI) every January. Retirement systems, like the Omaha School Employees' Retirement System, OSERS, can provide an additional measure of retirement security through their own cost-of-living adjustments (COLAs).

OSERS provides two adjustments that help retirement incomes keep up with inflation after you retire. One inflation-related adjustment is made to retirement incomes in October of the eleventh year of your retirement. This adjustment is called the Medical COLA. For retirees with twenty or more

years of service credit when they retired, the Medical COLA adds \$10 per month to your retirement income for each year that you have been retired. The Medical COLA, which begins in your 11th year of retirement (after you have been retired for 10 full years) starts at \$100 per month. In October of each year after that, you receive an additional \$10 per month until your total Medical COLA is \$250 per month in your 26th year of retirement. The maximum Medical COLA amount is \$250 per month. If you had less than 20 years of service credit when you retired, your medical COLA will be calculated by multiplying the unreduced medical COLA by the fraction that results when your years of service credit are divided by twenty.

The second COLA adjustment is made each January. The January increase recognizes the general inflation of prices. It is determined by calculating the change in the CPI for the previous twelve months (ending August 31) to determine how much to adjust your retirement pension. The general COLA amount will be calculated in early December and will be added to your January

retirement check. Actual CPI change for the past year has been about 2%. The annual COLA is capped at 1.5%, so most retirees will receive a 1.5% boost in retirement benefits in January 2018. If you retired this year, your COLA will be less than that because you have not been retired a full year. Your "take home" increase will be less than 1.5% if you have income tax withheld from your pension.

Dues payment reminder

Annual members for OEA-Retired have received the billing for this year's dues. Notice of the \$60 for state and national dues was sent in August, with the \$10 for OEA-Retired dues notice sent in late October or November. The combined total for annual local, state and national dues is \$70. If you are an annual member and have not sent your dues payment back to NSEA, please do so now! If you have misplaced your dues notice, call Lorrie at the OEA, 402-346-0400, to get a new copy. This will be the last newsletter that will be sent to annual members who have not paid their dues for 2017-18. Lifetime OEA-Retired members do not pay annual dues and did not receive the dues payment notice.

through the NSEA-Retired web page, www.nsea.org/retired, and will be available in early January 2018. Look for additional details in the next issue of the *NSEA-Retired Advocate*.

OEA-Retired meeting calendar

OEA-Retired will have three more 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:

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

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

April 26, Thurs. – NSEA-Retired Spring Conference at Mahoney Park

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.

Lobby Day is Tues., Feb. 13

Each year NSEA-Retired holds a Lobby Day in Lincoln to allow time for retired members to connect with their state senators and talk with them about issues important to both education and to retirees. Lobby Day will be Tuesday, February 13, 2018, beginning with registration and coffee at 8:30 a.m. at the NSEA Building; the full program will begin at 9 a.m. Registration for Lobby Day will be

Premiums and dental benefits change for NSEA-Retired BlueSenior Classic

By: Roger Rea, NSEA-Retired Vice President

Utilization for NSEA-Retired BlueSenior Classic, the Medicare supplement endorsed by NSEA-Retired and underwritten by Blue Cross of Nebraska, has been favorable for the past twelve months. As a result, there will be a 3% increase in medical rates for 2018. NSEA-Retired BlueSenior Classic sets rates for the calendar year of January 1, 2018 through December 31, 2018.

NSEA-Retired BlueSenior Classic has optional dental coverage. It is the only Medicare supplement that has dental coverage as part of the supplement itself. The dental coverage is the same PPO dental coverage that retirees younger than 65 have in their EHA insurance product. If you decline dental coverage when you first enroll in NSEA-Retired BlueSenior Classic, you will not be allowed to add dental coverage in the future. The overall

rate increase for members who are enrolled in the dental program will be 4.57% (this includes the premiums for both medical and dental insurance).

Dental benefits for NSEA-Retired BlueSenior Classic will change to match the dental benefits for active employees insured through the Educators Health Alliance (EHA). The new dental benefit will be slightly higher 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 January 1, 2018, 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.

Rates for NSEA-Retired BlueSenior Classic have been very stable for the past decade. In the

past ten years since 2008, the general medical premium increase for NSEA-Retired BlueSenior Classic has been 0%; 0%; -0.5% (yes, a decrease of half-a-percent); 9%; 0%; 0%; 1%, 0%, 5.1%, and 3%.

Subscribers to NSEA-Retired BlueSenior Classic are rated by age band, rather than by individual ages. The age bands (i.e. ages that have the same premium) are: 65-66; 67-69; 70-74; 75-79; 80-84; and 85+. The rates for 2018 can be found on the [NSEA-Retired web page](#), www.nsea.org/retired. Scroll down the page to find the link to the rates.

Medicare Part B rates increase for some on Jan. 1

On November 17, 2017, the Centers for Medicare & Medicaid Services (CMS) released the 2018 premiums, deductibles, and coinsurance amounts for Medicare Part A and Part B.

Medicare Part A covers hospital stays, and does not have a premium if you worked for at least 40 quarters in a job covered by Social Security. Medicare Part A has both a deductible and a co-pay amount. For 2018, the Part A deductible will be \$1,340 (up \$24 from 2017). The Part A coinsurance will rise to \$335 a day per benefit period. There are also minor changes to the coinsurance for lifetime reserve days and skilled nursing facility stays lasting from 21 to 100 days.

Medicare Part B covers doctor visits and some durable medical equipment. The Medicare Part B deductible will be unchanged for 2018 at \$183. The standard premium for Part B for 2018 will be \$134, the same as for 2017. New subscribers to Medicare will pay \$134 per month, and current subscribers who were paying \$134 will continue to pay the same amount.

If Social Security does not provide a cost-of-living adjustment, Medicare Part B premiums cannot increase for individuals who have their Medicare Part B premium deducted directly from their Social Security check. That provision is known as a "hold

harmless provision," and ensures that Social Security beneficiaries will not have a reduction in take-home income when they do not get a COLA. In 2017, about 42% of Medicare subscribers pay less than \$134 per month because of this hold-harmless provision.

Since Social Security benefits will increase by 2% on January 1, those individuals who had been protected by the hold-harmless provision will see their Medicare Part B premiums increase. For 60% of those who have been held harmless, the premiums will increase to \$134 (the increase in their Social Security benefit will be sufficient to pay the increased Part B premium).

For 40% of those who have been held harmless, their Social Security COLA will not be sufficient to allow the premiums to increase to \$134, and their Part B premium will be less than \$134 but more than what they are currently paying. Their Social Security "take home" benefit will not change because their COLA increase in benefits will be used to pay the increase in Medicare Part B premium. The good news is that you do not have to figure this out by yourself. Social Security will determine your 2018 Medicare Part B premium and notify you by mail.

Were you affected by the Equifax data breach? Some tips ...

In early September, Equifax reported that a massive data breach may have exposed the personal identification of 141 million Americans to fraudsters and criminals. The hackers may have stolen names, Social Security numbers, addresses, birthdates, and driver's license numbers in the attack. About half of all US adults are potentially affected. Equifax has established a web site that you can use to see if your personal identity may have been one of those stolen. Go to: www.equifaxsecurity2017.com. You will be asked

for your last name and part of your Social Security number. You will get one of two responses: (a) that you were not impacted by the breach; or (b) that you **may** have been impacted by the breach.

If you are one of the potential victims of the data breach, experts in security fraud urge you not to panic, but to be vigilant for the next few months. Monitor your credit card charges for fraudulent use. You may wish to take additional actions, which can include: filing an identity theft report; putting a freeze or fraud alert on your credit reports; requesting (in

writing) to close fraudulent accounts; and disputing any fraudulent information that appears on your credit report. You can get a free credit report from any of the four major credit companies (Equifax, Experian, Transunion, and Innovis) each year.

Experts believe that three con schemes will develop in the aftermath of the Equifax breach.

- **Imposter scams:** con artists posing as Equifax representatives call to verify your account information. The purpose of these calls is to get information that the con artist probably does not have, but hopes to get from you directly.
- **Tax identity theft:** fraudsters file fraudulent tax refund claims. Victims of this kind of theft often find out about it when they file their actual tax return and the IRS notifies them that another tax return has already been filed and their refund has been claimed.
- **Spear-phishing.** A phishing scam involves unsophisticated emails and phone calls aimed at getting you to reveal your personal identification. A spear-phishing scam is more sophisticated. It uses your real data (obtained from the breach) to mimic legitimate communication from your bank or broker. When you click on a link or open a pdf file to verify your information, you could be downloading malicious software onto your computer that will enable the crooks to hijack your system or record your keystrokes.

If you were the victim of the data breach, you may wish to take additional actions to protect your identify. Be aware that in today's electronic society, scams are becoming more common.

OEA-Retired

4202 South 57th Street
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OPS Bond Issue update

The Omaha Public School Board will be asking the citizens of Omaha to approve the Phase 2 bond issue in an election in the spring of 2018. This second-phase bond proposal for \$399.5 million would include funds to build two new high schools, one in South Omaha and one in West Omaha at a cost of \$87.7 million each; one middle school in South Omaha at the cost of \$42.4 million; and two elementary schools (both in South Omaha) at a cost of \$22.7 million each. Capital improvements and renovations to existing facilities will add another \$136.3 million to the bond issue (new construction will cost \$263.2 million).

As OPS board members finalize the list of construction projects, they are considering additional suggestions proposed by parents and staff. The proposed additions could increase the total cost of the Phase 2 bond issue. Parents have proposed swimming pools at both new high schools, which would cost \$7.1 million each; a pool at Buffett Middle School at \$3.7 million; relocating or modernizing the Paralyzed Veterans Administration Program at \$1.8 million; additions to Highland, Morton, and Spring Lake, at about \$2.5 million; and a reduction in the

number of portable classrooms at Edison, Masters, and Pinewood at \$2.5 million.

At the present time, the majority of the board has indicated that they like the option of adding more classrooms. They have requested more detailed cost estimates with hopes of having the plan for the bond issue finalized early in 2018.

NSEA-Retired Elections coming soon!

The Metro District Director position on the NSEA-Retired Board of Directors will be up for election this spring. The current Metro District Director is Carol Krejci. Carol is ending her first three-year term on the board and is eligible for re-election if she chooses to run. Delegates to NSEA Delegate Assembly (to be held in Lincoln on April 27 – 28) and NEA Representative Assembly (to be held in Minneapolis June 30 – July 5) will also be elected this spring.

OEA-Retired members who wish to be a candidate for one or more of these positions will need to file for election through the NSEA-Retired web site, www.nsea.org/retired. The nomination process will be available in mid-December. The filing deadline will be in early February.