

Voices of Experience

Newsletter for OEA-Retired

Omaha Education Association—Retired is an affiliate of **NSEA-Retired** and **NEA-Retired**

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www.oearetired.org

May 2018

May 10 meeting brings Omaha attractions, OSERS update, ...more

What do visitors want to do in Omaha? What attractions does Omaha have that appeal to visitors? How has Omaha become a major factor for the US Olympic Swim trials, and what does the city do to attract big-name talent to the Century Link Center, the Holland and the Orpheum Theater? Tracie McPherson, an Omaha native and former KMTV and Habitat for Humanity employee, will reveal the secrets on May 10th. She is now the Director for Communications for *Visit Omaha*.

Omaha is host to more than a million visitors each year. On May 10th, Tracie will disclose how Omaha markets itself to potential visitors. Omaha's

attractions include "The Bob" bridge, the #1 Zoo in the nation ... and so much more. Tracy will describe some great ideas that you can share with your friends on their next visit to Omaha.

The meeting will also feature an update on the Omaha School Employees' Retirement System (OSERS) and summarize some details of the 60-day legislative session that ended April 18.

The Thursday, May 10th 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.

LB 738 passes, giving Social Security recipients future tax relief

By: Roger Rea, NSEA-Retired Vice President

Nebraska is one of five states that taxes Social Security benefits to the full extent allowed by federal law. Legislation was passed in 2014 that raised the threshold income (below which Social Security benefits are not taxed) to \$43,000 (for a single individual) or \$54,000 (for a married couple filing jointly).

In 2014, the Legislature also passed legislation that indexed all income tax brackets to inflation. However, the threshold incomes for taxing Social Security benefits were not indexed to inflation. On January 3, 2018, Senator Brett Lindstrom introduced LB 738 to remedy that oversight. The bill had a public hearing on January 24, and Senator Lindstrom designated LB 738 as his priority bill on February 15. The bill was placed on General File on March 20, and was passed on final reading on April 11 with a vote of 44-2 (with 3 present and not voting). The governor signed the

bill into law on April 18. The indexing will become effective for tax years beginning January 1, 2020 and thereafter. The fiscal office of the Legislature estimates that the change will result in a \$1.3 million reduction in income tax revenues in FY2020-21.

NSEA-Retired has been the leader among a group of organizations representing retirees in advocating for complete removal of the state income tax on Social Security incomes. LB 738 marks the second step that Nebraska has taken in that direction. All retirees in the state will benefit from our efforts. I want to thank Senator Lindstrom and the other Senators who added their names as cosponsors to the bill as well as those who voted to approve LB 738.

Keep in mind that Social Security and pensions are intended to keep our elderly and disabled citizens out of poverty. They were never intended to be a source of revenue for the states.

Trustee election for OSERS held this spring

LB 447 changed the way that trustees are selected for the Omaha School Employees' Retirement System, OSERS. The four member trustees are now elected by the respective memberships that each trustee represents. The current member trustees (and their constituent

groups) are: DeLayne Havlovic (certified staff representative); Lance Purdy (certified staff representative); Jim Ripa (classified staff representative); and Roger Rea (annuitant member representative). One member trustee is elected to a four-year term each year, and then the election cycle

repeats itself.

Last year the only certificated staff candidate for OSERS Trustee was the incumbent, DeLayne Havlovic. OSERS election policy states that when only one candidate is nominated for a trustee position, that candidate is certified as the "winner" without a formal ballot.

This year there are two candidates for the certificated position held by Lance Purdy: Lance filed to succeed himself, and Matt Ray filed as a candidate. The OEA Board of Directors asked both candidates to respond to a short questionnaire before making a recommendation for the election. Only Lance responded to the request. The OEA Board of Directors has endorsed Lance Purdy for the positon of certificated trustee in the election. Only certificated staff members are eligible to vote for that position.

The OEA-Retired Board of Directors reviewed the questionnaires, and has also endorsed Lance Purdy to succeed himself as OSERS Trustee.

While OEA-Retired members are not eligible to vote in this election, OSERS Trustees make decisions that affect all members of OSERS, whether they hold a certificated position, a classified position, or are receiving an OSERS pension. OEA-Retired members have an interest in having qualified trustees on the OSERS Board. The Board believes that Lance is the most qualified candidate for the position.

Ballots for the OSERS election will be mailed to all certificated staff members in late April. Certificated staff members may vote by paper ballot or electronically by using the unique ballot identification code printed on each ballot. Certificated staff members must return their ballots within fourteen calendar days of receiving the ballot in the mail. The elected trustee will serve from July 1, 2018 through June 30, 2022.

Next year the election cycle will feature the classified staff trustee election. The annuitant trustee will be elected in 2020.

Reminders

This is the last issue of *Voices of Experience* for this school year. You will receive the next issue of the newsletter prior to our first meeting (which will be sometime in October 2018) for the 2018-19 school year.

If you change addresses for next year, be sure to contact Lorrie at the OEA, 402.346.0400, or by emailing her at lorrie.krejci@nsea.org to give her your new mailing address. Keep your address up-to-date, and you will not miss out on any of our newsletters!

Annual dues for OEA-Retired will be billed in the fall. If you are not a life member of the association, be sure to return your dues notice with the proper payment to ensure that you are not "dropped" from our mailing list!

OEA-Retired will not hold elections this year

OEA-Retired elections are held in May for officers on the OEA-Retired Board of Directors. Because there are no board positions that expire in 2018, no elections will be held this year. Next year elections will be held for President, Vice President, and two At-large Directors.

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

OPS Budget Advisory Committee makes initial recommendations

By: Cheryl Richardson, OEA-Retired President

Nebraska is projecting that state tax revenues will not meet the anticipated expenditures for 2018. As a result, the legislature will reduce state aid to education. To mitigate the potential impact of reduced state aid, OPS Superintendent Mark Evans formed a Budget Advisory Committee to make recommendations on possible changes in expenditures. The committee is made up of TAC personnel, community members, OPS School Board Members, and representatives of the various employee unions (including the Omaha Education Association, OEA-Retired, and SEIU Local 226).

OPS estimates that spending should be

reduced by \$26.4 million to account for the reduction in state aid and required payments to the pension system. The committee has met four times, and considered a number of ways to reallocate the existing funds. The Committee last met on April 19, 2018, but could not come to agreement on how to reallocate the full \$26.4 million. It will meet again on May 3 with the intent to finalize recommendations on the budget reallocations. This committee is advisory only. Committee recommendations will be transmitted to the full OPS Board of Education for final action and implementation.

The Budget Advisory Committee has one overarching goal: to keep any budget cuts as far from the classroom as possible. School District officials have indicated that they intend to continue the tradition of providing an excellent education for all of their students.

Members of the Budget Advisory Committee gave strong support to reducing Central Office expenditures by \$10 million. State law requires OPS to notify any staff member by April 15 if their position is going to be eliminated. As many as 50 central-office positions could be eliminated to realize the \$10 million in savings. The majority of those individuals would be reassigned to classroom positions in the district, and will not be terminated.

The Budget Advisory Committee is not recommending cutting the OPS budget – instead, members are making recommendations about how

existing resources can be reallocated to meet the shortfall in revenue. The committee has identified eight high priority areas that will result in about \$19.5 million in savings. Twenty other areas have been identified, and this group has been divided into two sections: low priority and “other considerations.” The low priority section would result in about \$10.5 million in savings, and the “other considerations” section might bring an additional \$22.3 million in savings. All program areas in the district are under consideration for potential savings.

All of the materials that the committee has considered can be found on the OPS website, www.openbook.ops.org. The next meeting of the Committee will be Thursday, May 3 at 6:00 p.m. in the Board Room at TAC. The meetings are open to the public.

OSERS “Meeting Digest” report for April 2018

The Omaha School Employees’ Retirement System (OSERS) recently began issuing a “Meeting Digest” report for distribution to leaders of the various membership unions. This is a summary of the information in the Digest for April 2018.

LB 548, which was introduced by Senator Brett Lindstrom, was amended to provide authority for OPS to issue pension obligation bonds to help fund the Actuarially Required Contribution (ARC) for OSERS. The amendment would allow Nebraska school districts to issue pension obligation bonds by a majority vote of the local school board members. In addition to giving OPS the authority to issue pension obligation bonds, the amended bill provided that OPS could delay making ARC payments until 2026. The OSERS Board took a neutral position on issuing pension obligation bonds, but opposed allowing OPS to delay making any ARC payments until 2026. [Editor’s note: the provision to delay making ARC payments was removed in a later amendment to LB 548. The amended bill was considered by the full legislature on April 4, 2018, and failed to advance from General File on a vote of 22-17 with 8 present and not voting. It takes 25 affirmative votes to advance any bill from General File.]

The Nebraska Investment Council (NIC), which invests all of the OSERS trust fund, reported on the investment performance at the end of December 2017. The “Policy Index” is a benchmark for the asset allocation set for the funds. The performance numbers are displayed above.	1 Year	3 Years	5 Years	10 Years	Since Dec. 1, 1989
OSERS performance	13.5%	3.9%	5.7%	4.4%	9.3%
Policy Index	13.5%	6.1%	8.1%	5.3%	n/a

The OSERS trust fund for paying retirement benefits stands at \$1.25 billion at the end of February 2018.

OSERS makes pension annuity payments to 4,691 retirees. Each month retirees receive a total of \$9.9 million in pension payments. This money goes into the local economy where the retirees live, and helps support local businesses. It is a large and dependable source of economic stimulation in the Omaha area.

OEA Foundation accepts donations through “Omaha Gives!” on May 23

The OEA Foundation was established in 1964 to act as a charitable foundation for the Omaha Education Association. The OEA Foundation raised money from donations from educators in the Omaha Public Schools. The Foundation was headed for many years by Gunnar Horn, journalism teacher at Benson High School. For many years, the OEA Foundation provided grants to retired educators living in the OEA Manor who were not able to pay for their medical care. The OEA Manor was the first

high-rise apartment building in the nation built by an education association for retired educators.

The OEA Foundation also funds scholarships for graduating high school seniors and for children and grandchildren of OEA members. This year the OEA Foundation will award nearly \$390,000 in scholarships to more than 100 deserving students.

To help support these scholarships, the Foundation is seeking donations on “Omaha Gives!”

Omaha Gives! is a year-round giving platform organized by The Omaha Community Foundation to increase philanthropy in the Omaha area. Each year there is a 24-hour on-line giving event to support non-profits – this year Wednesday, May 23 has been set as the “day to give.” The goal is to inspire the community to give as much as possible to support the work of public 501(c)(3) non-profits in the Omaha area. The minimum donation is \$10; there is no maximum donation. Last year the web site raised more than \$7.8 million in donations for local non-profits.

To make a donation on May 23, go to www.OmahaGives.org. Click on the box that says, “Name, Keyword.” Type in, “OEA Foundation,” and press “Enter.” Scroll down to find “OEA Foundation” and click on “Give.” Donate whatever amount you wish (\$10 minimum). You will receive an email receipt for your tax-deductible donation. Although you may donate to the OEA Foundation through *Omaha Gives!* at any time (not just on May 23), May 23 is the “official day of giving.” Your

OEA-Retired

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donation to the OEA Foundation will help to increase the scholarship amounts. If you know someone who has received an OEA Foundation Scholarship in the past, take a moment to add a testimonial message. Your support is most appreciated!

New Medicare cards coming later this year

Historically, Medicare identification cards have carried your Social Security number followed by a letter of the alphabet. The letter indicated why you were receiving Medicare. The letter “A” meant that you were eligible for Medicare on your own work record. Other letters indicated that you were collecting on your spouses’ work record, were disabled, were widowed, were a child, etc.

In 2015, Congress required that the Center for Medicare and Medicaid Services (CMS) remove all Social Security numbers from Medicare ID cards by April 2019. The new cards will use a Medicare Beneficiary Identifier (MBI) that will be unique to each individual and not related to your Social Security number.

The MBI is eleven characters long and can include both numbers and capital letters. The identifiers are randomly selected, and will not replicate any of your personal data.

The new cards will be mailed out beginning in April 2018. It will take a full year to mail out the 59 million new Medicare cards. Nebraska residents can expect to begin receiving their new cards after June 2018. Not every Nebraskan will receive their new

card on the same day, so don’t worry if your friend has his/her new card and you have not received yours yet. Be patient – the new card will arrive!

When you get your new card, you can begin to use it immediately. Show it to your providers when you have appointments with them so they will have your current information. CMS has established a 21-month transition period, which will stop at the end of 2019. Use of the new Medicare cards will be mandatory beginning in 2020.

