Oct. 17 meeting will feature OSERS update

Cecelia Carter, OSERS Executive Director, will be at the October 17 meeting of OEA-Retired to give an update on OSERS and to answer your questions about our retirement system.

Mark Thursday, October 17 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.

OSERS Update
By: Roger Rea, OSERS Trustee

The Omaha School Employees’ Retirement System (OSERS) is the second oldest, continuously operating, school employee retirement system in the country. OSERS was founded in 1909 and has paid benefits without disruption for more than 100 years. As of March 31, 2019, the OSERS trust fund had assets of more than $1.24 billion. Since January 2016, the OSERS trust fund has been invested and managed by the Nebraska Investment Council, NIC. The asset allocation has been modified since the investments were transitioned to NIC, with a target long-term return of 7.5% per year. The long-term investment return helps pay OSERS retirement benefits.

OSERS has several sources of funding: (a) members contribute 9.78% of their salary each month; (b) OPS contributes 9.88% of employees’ salary (101% of the employee contribution rate); (c) the state of Nebraska contributes 2% of payroll; and (d) the OSERS trust fund has earnings in the form of dividends, interest, and capital gains. In addition, if the actuary calculates that the income from all sources is not sufficient to pay the long-term benefits, OPS makes an additional contribution that the actuary recommends to keep the plan on a path to become fully funded in 30 years.

Some quick facts about the retirement system:

• In 2018, OSERS paid an average of $10.3 million every month to 4,816 retirees
• For the first quarter of 2019, OSERS had a net gain of $48.88 million in investment earnings
• For fiscal 2018, total contributions plus investment income exceeded the retirement payments by $60.5 million
• The “normal cost” of providing benefits to OSERS retirees is 12.96% of the total OPS payroll. The normal cost is the cost of providing the underlying benefits of a retirement plan. The statutory required contribution rate (employee, employer, and state) totals 21.66% of payroll. The current statutory contribution rate is above the normal cost rate, and the excess is used to help pay off past service unfunded liability. OPS is currently making additional contributions each year to help pay the unfunded liability.
• The “funded ratio” (calculated by dividing the actuarial value of the assets by the actuarial accrued liability) for OSERS was 63% in January 2019

The OSERS Board of Trustees has been working since October 2018 to determine the fiscal impact of tweaks in administrative options and plan design that could result in lower costs for OPS. OPS formed a coalition of stake holders (OPS and OSERS staff; representatives from OEA, OEA-Retired and NSEA; representatives from the Omaha School Administrators Association, SEIU-Local 226, and a representative from the business community) to explore potential solutions to the pension shortfall. The final reports from the OSERS Trustees and the
coalition of stakeholders have not been released at the time this issue of our newsletter went to press.

State law prohibits OSERS from advocating for benefit changes. Any proposed benefit changes will be recommended by the retirement plan sponsor, which is OPS, and must be considered and passed by the Nebraska Legislature before they can be implemented.

In July 2019, OSERS and the OPS Administration issued a joint communication to reaffirm that the OSERS Board of Trustees and the OPS Board of Education remain jointly committed to ensuring the solvency of the retirement plan. The communication contained this paragraph:

**Is my retirement OK?**

Yes. OSERS is a restricted trust. The funds in OSERS can only be used for the benefits of its members. The OSERS funds are separate from the district’s general funds. OSERS and OPS are working together to reach a sustainable solution to the pension fund shortfall. We remain committed to identifying a solution that will provide long-term sustainability and health for the Omaha School Employees’ Retirement System, while stabilizing the current OPS budget shortfall.

More information about OSERS can be found on the OSERS web page, www.osers.org.

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**PRESIDENT’S MESSAGE**

By Walta Sue Dodd, OEA-Retired President

Thank you to the members of OEA-Retired for allowing me to serve as your President for 2019-2022. It is my honor and privilege to have the trust of my fellow members to lead this outstanding organization. As in the past, we face new opportunities, new challenges and a new list of accomplishments for OEA-Retired in identifying and mentoring pre-retired, new retirees and present retirees. However, it is also an exciting time of growth for us!

Let us pledge to make the upcoming year one of record growth in membership and further opportunities for the training of our members. I look forward to leading us in this exciting and challenging time. I ask you to come along with me to make OEA-Retired the standard for other organizations.

“Now, more than ever, the commitment continues....”

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**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. 15, Tues.** – NSEA-Retired Fall Conference in Kearney, 9 a.m. – 4 p.m.
- **Oct. 17, Thurs.** – OSERS update with Cecelia Carter, OSERS Executive Director
- **Nov. 1, Fri.** – BCBSNE Medicare Seminar 9:30 – 11:30 a.m. and 1:30 – 3:30 p.m. (afternoon session is a repeat of the morning session) at OPS Board of Education Room, TAC, 3215 Cuming Street, Omaha
- **Dec. 5, Thurs.** – Tax Tips and Tips on Wills and Estate Planning (Erin and Bridget O’Malley),
- **Feb. 4, Tues.** – NSEA-Retired Lobby Day in Lincoln, 9 a.m. – 2 p.m.
- **March 19, Thurs.** – Visit Omaha (things to do locally)
- **April 23, Thurs.** – NSEA-Retired Spring Conference (TBD)
- **April 24-25, Fri. and Sat.** – NSEA Delegate Assembly (Lincoln)
- **May 21, Thurs.** – What’s New at the Zoo?; OEA-Retired elections

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.

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**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 covers state and national retired dues as well as the EHA Special Services fees (this fee gets you access to retiree health insurance coverage prior to age 65); (b) a second installment is billed in late October or early November, and includes the local retired dues amount.

The annual dues for the combined retired organizations (NEA-Retired, NSEA-Retired, and OEA-Retired) will be $70 for the 2019-20 association year. Annual members for OEA-Retired will receive a dues notice for 2019-20 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 are receiving a complimentary copy of this issue of **Voices of Experience** pending the processing of the 2019-2020 annual memberships. 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 2019 and misplaced the membership application, please contact Lorrie at the OEA, 402.346.0400, for a replacement.
Medicare seminars scheduled for November 1

Medicare provides a vital benefit for retirees who are older than 65. Medicare Part A and Part B together are referred to as “traditional Medicare,” and cover hospital visits (Part A) and doctor visits (Part B). Medicare Part D provides coverage for prescription drugs, and is a separate part of Medicare. Traditional Medicare is an 80/20 plan, meaning that Medicare pays 80% of the covered charges for medical services, and you are responsible for the other 20%. Educators’ Medicare Supplement (formerly known as NSEA-Retired BlueSenior Classic) is a supplement to Medicare that pays for the expenses that Medicare does not cover.

Educators’ Medicare Supplement is only available to current EHA subscribers and to life members of NSEA-Retired. Since the supplement is not open to the general public (it is often referred to as a modified Union Plan, or Employer Group Plan), it is not bound by the same rules as general Medicare supplements. While the general public can no longer choose a Plan F supplement, subscribers to Educators’ Medicare Supplement can choose either the Plan F supplement or the Plan G supplement at the time of their initial enrollment. Utilization of the supplement has been favorable this past year, and preliminary projections show a 0% increase in premiums for 2019.

Plan F supplements differ from Plan G supplements in only one respect: Plan F supplements pay the deductible for doctor visits; Plan G supplements do not. The deductible amount in 2019 is $185 per year. The deductible for 2020 had not been announced at the time this issue of Voices went to press. Current subscribers to Educators’ Medicare Supplement who decided to stay with the Plan F supplement can switch to the Plan G supplement if they file the proper application forms by the end of 2019. And subscribers who decided to switch to Plan G will be allowed to return to Plan F if the necessary applications are on file by the end of 2019.

The open enrollment period for Medicare Part D, the prescription drug coverage, is October 15 – December 7. Part D providers can change which drugs they cover as well as the drug pricing details every year, so it is in your best interests to evaluate Part D providers for the drugs that you take every year by going to the Medicare web page, www.medicare.gov.

To help members better understand Medicare as well as the steps you need to take to switch plans (F or G), BCBSNE will host two Medicare seminars in the Omaha area (seminars will also be offered in other sites in the state). The Omaha-area seminars will be held Friday, November 1, at the OPS TAC Board of Education Room, 3215 Cuming Street. There will be two offerings: one from 9:30 – 11:30 a.m., the second from 1:30 – 3:30 p.m. The seminars will describe both Educators’ Medicare Supplements (Plan F and Plan G) as well as give details on Medicare and Medicare Part D, the prescription drug benefit for Medicare. Both seminars will cover the same information. Registration is required for the seminars. You can register for the morning session by going to 2020ed-omaha-am.eventbright.com. To register for the afternoon session, go to 2020ed-omaha-pm.eventbrite.com.

OEA-Retired helps welcome new teachers to OPS

On August 1, 2019, the Omaha Public Schools welcomed about 400 new hires to the district at Baxter Arena. The Omaha Education Association provided lunch for them. As they enjoyed their lunch, a wave of OEA members dressed in red shirts approached their tables to recruit the new hires. OEA-Retired members Liz Rea, Roger Rea, Nancy Hornig, Susan Kalina, Carol Krejci, Rich Hood, Walta Sue Dodd, Darrel Lahmann, Doreen Jankovich, Faye Sitzman and Cheryl Richardson were volunteers who processed the membership forms and handed out gifts for joining OEA/NSEA/NEA. About 70% of the new hires became members of OEA at the luncheon. Thanks to all of our retired volunteers!

OEA-Retired election results

At the May 16, 2019 meeting for OEA-Retired, new officers were elected to various positions on the OEA-Retired Board. Walta Sue Dodd is the new President; Scott McGinty is the new Vice President, and Cheryl Richardson and Deborah Pauley are new At-Large Directors on the Board. All were elected for three-year terms.

The OEA-Retired officers for 2019-20, and their terms of office, are:

President = Walta Sue Dodd (2019-2022)
Vice President = Scott McGinty (2019-2022)
Secretary = Ruby M. Davis (2017-2020)
At-large Directors = Richard Hood (2017-2020); Doreen Jankovich (2017-2020); Deborah Pauley (2019-2022); Cheryl Richardson (2019-2022)
Bookkeeper and Newsletter = Roger Rea
NSEA-Retired fall conference held in Kearney

The fall conference for NSEA-Retired will be held at the Kearney Holiday Inn (110 S. 2nd Avenue) on Tuesday, October 15. A pre-conference event is planned for the evening of October 14. A complete conference agenda and registration information is posted on the NSEA-Retired web page. There is no charge for members to attend the event; guests pay $10 at the door.

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. The registration deadline is Tuesday, October 8.

Did Filing Your 2018 Taxes Make You Scream?

If so, it’s not too late to adjust your 2019 federal and Nebraska state tax withholdings. Many retirees were surprised when they filed their 2018 tax return as they learned that they did not have enough withheld from their pension checks for income tax. The unexpected tax liability came as a rude surprise in April as they wrote checks for additional federal or state income tax.

It’s not too late to adjust your withholding (federal and Nebraska). OSERS only withholds for federal and the state of Nebraska taxes. To change the withholding election on your Omaha School Employees’ Retirement System monthly pension check, you will need to complete and file an updated W-4P (pension). File the withholding form with OSERS. If you are working part-time, or substituting, or receiving other income-related benefits from OPS, you will need to complete and file an updated W-4 for your work-related income. If you have both types of income coming from OPS and OSERS, you will need to complete both forms.

Check with a tax professional for what best fits your personal financial situation. To download the proper forms to change your withholding, go to www.osers.org, and click on the “Publications and Forms” tab at the top of the page.

Update on OPS Phase 2 Bond issue

By: Cheryl Richardson, OEA-Retired Vice President

The Citizen Bond Oversight Committee (CBOC) continues to monitor the Omaha Public Schools’ bonds. As Phase 1 (the 2014 bond issue) draws to a close, the committee will begin monitoring Phase 2 (the bond issue passed in 2018).

Phase 1 had a program budget of $423.6 million. As of August 2019, 99.4% of the bond money had been expended. The remaining $2.5 million will be used to complete the projects that were begun in 2014. The 2014 bond has 71 projects completed, five are still under construction, and seven programs are in “closeout phase.” Phase 1 had a total of 83 active projects.

Phase 2 (the 2018 bond issue) totals $409.9 million. Phase 2 projects are well on their way to completion. Five new schools will be built with this bond. Land for these new schools was purchased with monies from Phase 1, so all costs from Phase 2 will go toward construction of the new schools. One high school will be built at 60th and L (at a cost of $85.2 million); a second high school will be built at 156th and Ida (at a cost of $87.3 million). A middle school will be constructed at 42nd and U Street (at a cost of $34.7 million), and two elementary schools, one at 10th and Pine and one at 1000 N. Fort Crook Road (at $18.6 million each), will also be constructed. Benson, Bryan High, Central, South, Edison, Masters, Morton, Highland and several other schools will receive additions or updates with Phase 2 money.