December 5 meeting to emphasize tax tips

Congress passed a significant tax reform package two years ago. Lower withholding tables allowed a higher “take home” pay, but many seniors were unpleasantly surprised by the tax bill that they owed on April 15, 2019. Bridget O’Malley Tynan and Andrea Thyfault from Tax Help, founded by Pat O’Malley, will be the main speakers at the Thursday, December 5th meeting for OEA-Retired. They will reveal the hidden secrets of the new tax law.

The standard deduction doubled from $12,000 to $24,000, which means that many taxpayers will not be eligible to itemize their deductions and see a reduction in their tax bill. In addition, the deduction for state and local taxes paid is now capped at $10,000. And there is no “personal deduction” for the 2019 tax year.

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. If you are taking a required minimum distribution (RMD) from your IRA and/or 403(b), you may find it to be beneficial to donate the RMD directly to a charity rather than to first receive the RMD and then make a donation to charity. Details will be shared at the meeting.

Security breaches (like the recent Equifax security breach) will continue to impact many individuals. Seniors are often the target of identity theft and fraud. Our speakers 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 if your accounts are involved in a breach.

The Thursday, December 5th 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.

Educators’ Medicare Supplement has 0% rate increase, new member cards

Educators’ Medicare Supplement, the supplement underwritten by Blue Cross of Nebraska and endorsed by NSEA-Retired, announced in October that there will be no increase in premiums for 2020. Educators’ Medicare Supplement offers both a Plan F and a Plan G supplement. Members who wish to switch from Plan F to Plan G, or vice versa, with an effective date of January 1, 2020, may do so without medical underwriting. To make the change, you need to contact the Blue Cross Member Services department at 888-592-8960 no later than December 15, 2019 to get a new enrollment form. The completed form must be returned by January 15, 2020.

Educators’ Medicare Supplement is rated by age bands, not individual ages. The age bands are:

- Through age 66;
- Age 67-69;
- Age 70-74;
- Age 75-79;
- Age 80-84;
- Age 85+

You can find the rates for both Plan F and Plan G supplements, as well as the rates for those plans with optional dental coverage, on the EHA web site, www.ehaplan.org. Click on the “Retirees” tab at the top of the page.

Blue Cross will issue new membership cards with a new member ID number and customer service telephone number soon. The new cards should be shown to all of your providers beginning January 1, 2020 when you receive services to ensure that your claims are processed in a timely manner. In addition, the Explanation of Benefits (EOB) forms for your claims will also have a new look. These changes are being made to provide better service to all subscribers.

Medicare Part D enrollment deadline is December 7

OEA-Retired members who have Medicare Part D coverage (the Medicare prescription drug benefit) have until Saturday, December 7 to change providers for 2020 without incurring any penalty.
Medicare Part D helps pay for prescription medication. There are 29 different Part D plans offered in Nebraska, with premiums ranging from $13.20 to $89.60 per month. However, to have the lowest total cost (including premium, deductible, and copay for your medications) you should not look only at the premium or deductible.

Prescription drug plan providers change the drugs that are on their formularies, as well as the pricing of those drugs, every year. The Part D plan you had last year may no longer be the best plan for you to use, especially if you have changed the drugs that you take in the past year. If a drug that you take is not on the formulary of the plan you choose, you will pay the retail cost of the drug and your plan will pay nothing – and what you pay will not count towards either your deductible payment or your out-of-pocket maximum amount.

The best way to choose a Part D plan with the lowest total cost is to go to the Medicare web site, www.medicare.gov, and enter the prescription medications and dosages that you actually use. The web page will sort the available plans according to costs. Be sure to select: Sort by “lowest drug + premium cost” to find the least expensive plan for you. Caution: the default sorting method on the web site is by lowest premium – use the “down arrow” on the sorting box to change the sorting method.

The Senior Health Insurance Information Program, SHIIP, has volunteers who can help you find an appropriate Part D plan if you are not comfortable using the Medicare web site. Call 800-234-7119 to talk to a SHIIP volunteer.

Better Together Coalition Update

The Better Together Coalition was appointed by OPS Superintendent Cheryl Logan to gather data and make recommendations regarding possible changes in the retirement plan to ensure long-term sustainability of the plan. A number of items have been considered, but no final recommendations have been made. The coalition has asked for more information from the actuary on the impact that the proposed changes will have on the funded status of the retirement plan, as well as estimates of the impact of the proposed changes on each group of stakeholders: active members; current retirees; and future retirement system members.

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. 5, Thurs.** – Tax Tips and Tips on Wills and Estate Planning (Bridget O'Malley Tynan and Andrea Thyfault)

**Feb. 4, Tues.** – NSEA-Retired Lobby Day in Lincoln, 9 a.m. – 2 p.m.

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 Medical COLA is a member-only benefit. If a member chooses any of the joint-and-survivorship payment forms (100% to the survivor; 75% to the survivor; 50% to the survivor; or pop-up to the retiree), the payment for the Medical COLA will stop when the member dies.

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 are likely to receive a 1.5% boost in retirement benefits in January 2020. If you retired in 2019, 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, or if you chose any of the joint-and-survivorship payment forms.

OSERS Trustee election coming soon

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 (certificated staff representative); Lance Purdy (certificated staff representative); Matthew Placzek (classified staff representative); and Roger Rea (annuitant member representative). Each year one member trustee is elected to a four-year term, and then the election cycle repeats itself.

Elections for the two certificated trustees were held in 2017 and 2018, and the classified staff trustee election was held in 2019. Only active, certificated and classified employees were eligible to vote in those elections.

The annuitant trustee will be elected in the spring of 2020 by the retired members of OSERS. Roger Rea, the current OSERS Annuitant Trustee, has announced that he intends to be a candidate for re-election to that position. Details on the nomination process for OSERS trustee can be found on the OSERS web page, www.osers.org.

NSEA-Retired elections coming in 2020

Elections will be held soon for positons on the NSEA-Retired Board of Directors and for delegates to represent NSEA-Retired at both NSEA Delegate Assembly (in April) and NEA Representative Assembly (in June and July).

NSEA-Retired Board positions up for election include President and Vice President. Current NSEA-Retired President De Tonack is eligible to run for another term if she chooses to do so. Current NSEA-Retired Vice President Roger Rea is also eligible to run for another term if he chooses to do so.

The Metro District has two District Directors, Carol Krejci and Walta Sue Dodd. Neither of the two terms for Metro District Director is up for election this year.

Nominations for officers and delegates to NSEA Delegate Assembly and NEA Representative Assembly will be taken through the NSEA-Retired web page, www.nsea.org/retired early next year. Consult the NSEA-Retired web site for filing deadlines and procedures. The information will also be printed in upcoming issues of the Advocate and Voices of Experience.

Update on OPS Phase 2 Bond issue

By: Cheryl Richardson, OEA-Retired Vice President

On October 23, 2019, the Citizens Bond Oversight Committee (CBOC) met to review the 2014 and 2018 bond programs. This is a committee put together by the Omaha Public Schools to oversee the bond programs. Since the committee was formed, the company that oversees the management of the bonds (Jacobs Project Management) has conducted the CBOC meetings. Starting with the December meeting, the Omaha Public Schools will be responsible for conducting the meetings. Darwin Rohde, Director of Building and Grounds and Jeramie Cobb, Director of School
Operations, will be in charge of the meetings.

Phase 1, the 2014 Bond Project, has a total of 83 Projects: 71 of these projects are complete; nine are in closeout; and three are still in construction. The total Program Budget for Phase 1 was $421 million. The money waiting to be deployed has earned $3.142 million in interest. To date, 97.67% of the Phase 1 bond money has been spent.

Phase 2, the 2018 Bond Project, has a total of 19 Projects. Five projects are currently out for bid/award; one is in closeout; five are in construction; and 8 are in the design phase. Five new schools will be constructed with Phase 2 money. Of the $409.9 million bond issue, $30.3 million (7.40% of the total project) has been spent to date.

NSEA-Retired Lobby Day is Feb. 4

NSEA-Retired actively consults with and lobbies state senators on a variety of topics of interest to education, educators, and retirees. Each year NSEA-Retired holds a one-day session to visit with State Senators to discuss the topics of interest and encourage Senators to consider voting for or against various bills. In addition, NSEA-Retired helps prepare testimony for various bills for their public hearing.

OEA-Retired members are encouraged to come to Lincoln on Tuesday, February 4, 2020 to participate in the annual NSEA-Retired Lobby Day activities. A schedule of Lobby Day events, as well as registration for the day, will be posted on the NSEA-Retired web page, www.nsea.org/retired, in January 2020. Mark your calendar now for this event, and plan to register for Lobby Day in January.

Tips to avoid pre-diabetes

One in three American adults now has pre-diabetes or elevated blood sugars indicating risk of developing Type 2 diabetes. Sensible lifestyle changes can often help reverse pre-diabetes. To avoid feeling overwhelmed with the need to change a lot all at once, experts suggest focusing on one or more of these seven behaviors.

Incremental steps that can put distance between you and type 2 diabetes:

- Control your environment – particularly what's in your pantry.
- Add fruits and vegetables to your diet. Eat more ... "of the right foods."
- Plan healthy meals. You may wish to portion out meals for the week in Tupperware containers.
- Take up a hobby that gets you moving, like bowling, bicycle riding or tennis.
- Add brisk walks and other activities to your routine until you reach 150 minutes a week of moderate aerobic exercise. Don't go more than two consecutive days without exercise.
- Take notice when you lose a little weight or start feeling better.

If you already have either pre-diabetes or Type 2 diabetes, be sure to work with your physician, and take advantage of the various diabetes support groups available in Omaha.

Every Student Success Act (ESSA)

By: Walta Sue Dodd, OEA-Retired President

OEA-Retired members have an opportunity to have a voice in impacting school improvement policy and practices by participating in a simple assessment tool. You ask, how? By completing the NEA Opportunity Checklist.

The checklist is a short, criteria-based tool to quickly assess what's available to students in your local school district or school. Just log into www.myschoolmyvoice.nea.org/your-school-checklist and complete the Opportunity Checklist. Members who complete the entire checklist will receive future engagement opportunities. Use your voice!