

RIPEA COMMUNICATOR

VOL. 31, NO. 4

NOVEMBER 2010

RIPEA's Renewal Rates

Each year as RIPEA's health insurance renewal rolls around, we have the opportunity to work with Anthem Blue Cross & Blue Shield to have some input in the competitiveness and overall outcome of our renewal rates. As we worked through this year's process, we were informed that Anthem was lowering their individual (street) rates; therefore it was our hope to lower our rates (with Anthem's blessing) to be as competitive as possible. Also, we wanted to move our renewal date to January (instead of March) to more accurately match Anthem's rating cycle.

After several weeks of working to develop rates for the new Plan N (Value Plan), and possibly more competitive rates for our current Plan F (Comprehensive Plan), we received word that the Department of Insurance had returned Anthem's rating proposal, citing a need for more review; Anthem is currently conducting this review. At this moment, it is not clear whether Anthem will resubmit the more competitive rates or opt to submit the regular renewal rates for 2011.

Since RIPEA is attempting to change the renewal date to January, the decision on rates determined the content of the new RIPEA marketing materials. These materials need to be written, printed and mailed out to approximately 60,000 folks before November 15,

2010. There was not sufficient time for RIPEA to wait for the Department of Insurance's decision; which sometimes can take weeks. To accommodate all the activities needed to be accomplished, a decision had to be made.

The final decision was made to delay the new product, (Value Plan) and new rates until the regular renewal date in March, to assure that:

- Anthem (street) rates were known before a decision was made
- RIPEA did not have to change rates twice
- Tens of thousands of dollars were not wasted on incorrect marketing materials
- RIPEA's final rates remained competitive with Anthem's street rates

No harm in changing to the March renewal date, as it is the normal RIPEA renewal date anyway; also, no foul—we did not make a hasty decision that would have wasted money and possibly created several large problems.

Overall: Good Management Decision, and the good news is we will all get to see the new Value Plan product and hopefully, competitive rates very soon (March 1, 2011).

Sagamore Benefits

Record Number Attend 2010 Convention

RIPEA's 20th Annual Convention on September 13th enjoyed a record attendance of 232 members.

The attendees heard a presentation by Steve Russo, Director of PERF and Teachers Retirement Fund who explained the initial phase of merging certain services of PERF and TRF. Steven Barley, Chief Operating Officer & Deputy Director of PERF reviewed investment policy and strategy and emphasized the relative investment performance of PERF during these difficult times has kept the PERF fund financially sound.

Presentations were also made by Melanie Woods regarding Senior Citizens Fraud, Jim Bengé and Ross Page on health insurance as well as the health reform bill. Senator Phil Boots and Representative

David Niezgodski discussed Legislative process and the difficulty in passing "money" bills in this economic environment. Both of these Legislators were instrumental in RIPEA obtaining the 13th check for retirees in the 2010 legislative session.

The evaluation form completed by the attendees contained several good suggestions that will be implemented at the 2011 Convention.

Thanks to all who attended.



Margaret L. Payne won the \$500 door prize.

Meet Your Board

This is the fourth in a series of “MEET YOUR BOARD” articles. This series will continue until all Board members have been profiled.



Craig Hartzer

Dr. Hartzer served more than 20 years in local and state government in Indiana. He served, for example, as Deputy Mayor for the city of South Bend. Policy Director for Governor Frank O’Bannon, Commissioner of the Indiana Department of Workforce Development and the Executive Director of the Public Employees Retirement Fund. Dr. Hartzer is currently a Clinical Professor and the Director of Executive Education in the School of Environmental Affairs at Indiana University. Dr. Hartzer joined the RIPEA Board in 2006.

In regard to his work on the RIPEA Board, Craig says: “Serving the RIPEA members who dedicated their lives to public service is one of the most rewarding responsibilities I have ever had. It’s my honor and privilege to be a RIPEA member. I look forward to working hard on those issues most important to the membership for years to come.”



Roger Parent

Mr. Parent has dedicated most of his life to public service and the Peace Corps. Mr. Parent was Mayor of South Bend for eight years after serving eight years on the South Bend Common Council. Mr. Parent has served in the Peace Corps on two separate tours of duty spending his Peace Corps service in Thailand. Mr. Parent joined the RIPEA Board in 2005.

In regard to his work on the RIPEA Board, Roger says: “Along with other Board Members, I look out for the interests of those who receive or will receive retirement benefits from the Public Employees Retirement Fund. In this age of tight budgets nothing is more important than that for tens of thousands who depend on PERF benefits for their livelihood.”

RIPEA COMMUNICATOR is published quarterly by the Retired Indiana Public Employees Association.
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Christie A. Bader Elected to the Board of Directors



The RIPEA Board of Directors, in their meeting on September 13, 2010, unanimously elected Christie A. Bader to the Board.

Ms. Bader worked 20 years for the New Albany-Floyd Central Schools. During her tenure at the school, Ms. Bader served as Bookstore Manager, Purchasing Agent and Systems Operator. Ms. Bader is Past President of the Clerical/Support Staff at the school and has been on the Board of Directors of the New Albany Schools Credit Union since 1994. In addition to being a RIPEA Board Member, Ms. Bader is President of the Southwest Chapter of RIPEA.

We welcome Christie to the Board and her public service will give her a keen insight to the needs and concerns of RIPEA members.

Miscellaneous Trivia

- Only cast member of the popular comedy show M.A.S.H. that was based on a medical unit in the Korean War that served in Korea during the war was Jamie Farr who played Max Klinger.
- Friday the 13th: More than 80% of high rises have no 13th floor; airplanes have no 13th aisle; on streets in Florence, Italy, the house between 12 and 14 is addressed as 12 and a half.

Important Telephone Numbers

- Anthem Blue Cross/Blue Shield** 1-866-649-2041
 RIPEA Group Health Plan
- AMBA**..... 1-800-258-7041
 Dental/Vision/Long Term Care/Cancer/
 Whole Life/Medical Air Service Association
- G.E.T.O.** 1-877-867-3639
 Vacation Condos at Reduced Rates - www.getravelop.com
- Genworth** 1-866-582-2436
 Long Term Care
- HearPo** 1-888-432-7464
 Hearing Plan
- MetLife** 1-800-438-6388
 Auto/Home
- P.E.R.F.** 1-888-526-1687
 Retirement Checks & Benefits
- RIPEA Office** 1-800-345-9214

**Email us at ripea@ripea.org or
 visit our website: www.ripea.org.**

The RIPEA office hours,
 Monday through Friday, are: 8 a.m. to 4 p.m.

Collaboration saves millions for PERF and TRF Members

Collaboration between the Indiana public employees' and teachers' retirement plans will save \$8.5 million this year, more than \$100 million in years to come, and could lead to lower employer contribution rates in the future.

In May, I was named executive director of both the Indiana Public Employees' Retirement Fund (PERF) and the Indiana State Teachers' Retirement Fund (TRF). This was done in compliance with legislation aimed at cost savings within the funds.

While PERF and TRF have common leadership, the law requires that we continue to be managed as separate entities with no merger of the two funds' assets. However, we are able to collaborate on investment decisions which collectively have saved the funds millions.

As PERF and TRF continue to find ways to reduce costs, we remain among the most solidly-funded public pension funds in the nation. Funded status is the ratio that measures plan assets, such as invested funds, as compared to liabilities, such as future pension payments.

PERF's aggregate funded status at the end of the 2009 fiscal year was 93.5 percent. Nationally, state pension plans were funded at about 65 percent according to the *2010 Wilshire Report on State Retirement Systems*.

About TRF

A majority of TRF members are covered by a pre-1996 pay-as-you go plan that has been in place since 1921. It was never intended to be pre-funded and its funding status is low by design.

In 1995, the state established a separate fund to protect TRF retirees against any disruption in state payments and to smooth out payments from the state as the baby boomer generation retires. As of the end of the calendar year 2009, this fund's assets are \$1.9 billion.

Also in 1995, the legislature established a pre-funded plan to cover teachers hired after 1996. This plan's funded status at the end of the 2009 fiscal year was 93.1 percent, significantly ahead of the 80 percent target that experts consider a healthy level.

Modernizing Together

PERF and TRF also are collaborating on an extensive multi-year project to modernize the systems used to manage pensions and members' Annuity Savings Accounts (ASAs).

Most recently, this resulted in thousands of members gaining something their private sector peers have had for years . . . daily access to the allocation, managing and trading of their retirement investments.

Members of the funds gained this access in August as part of an initiative to provide tools to help them become actively involved in preparing for retirement. The new tools will help TRF and PERF members manage a combined total of nearly 6 billion in personal ASA investments.

As PERF members will recall, the values of PERF and TRF ASA accounts were previously updated quarterly and members could only trade quarterly.

Continued Collaboration

In the coming months, members will see continued close collaboration between PERF and TRF. The funds now have a single management team and are sharing office space.

A new joint member service center will open early next year at One North Capitol in Indianapolis, and TRF and PERF field counseling staff will collaborate closely in bringing retirement education and counseling to locations throughout the state.

While many in public service in Indiana and the nation have worked tirelessly to reduce expenses, the team at PERF and TRF is no different. The funds remain in solid shape, however, we know continued cost savings will benefit active members, retirees and the public employers that help fund the plans.

Steve Russo, Executive Director, PERF/TRF

Editor's Note: RIPEA's position is that PERF retirees should share in the savings of PERF and TRF collaboration of services through increased COLAs and 13th checks.

COLA/13th Check Survey Results

Your Board of Directors was pleased and appreciative of the number of Retirees that responded to the survey that was included in the August, 2010 *COMMUNICATOR*. The question posed in the August *COMMUNICATOR* was "If you had to choose between a COLA and a 13th Check which would you choose?"

The results were:

	<u>Number</u>	<u>Percent</u>
COLA	1157	24%
13th Check	<u>3699</u>	<u>76%</u>
Total	4856	100%

The Board understands that the results might be different with a stronger economy and also that the Board considers a COLA and 13th Check to be important components of RIPEA's Legislative Agenda. Thanks again to all who responded to the survey.

It is a Great Time to Enroll in Medical Air Services Association

Do you have \$10,000+ ready at a moment's notice? Do you or your family travel? Do you live in a rural area? Do you want access to the best medical facilities in the country? These are only a few of the many reasons why members join Medical Air Services Association (MASA).

Whether traveling, or even at home, MASA could provide you with potential life-saving services. In the event of an emergency, MASA will transport you to the medical and support system you trust. Without this benefit, the average price for a ground ambulance is between \$600 and \$2,000 and an air ambulance can cost you between \$10,000 and \$50,000. With the MASA pre-paid emergency assistance program, you are protected from catastrophic financial loss resulting from emergency ground or air ambulance transportation.

With hundreds of thousands of members and more than 30 years of experience, MASA is the premier emergency assistance service. There are NO deductibles, NO age limits, NO health questions and NO dollar limits!

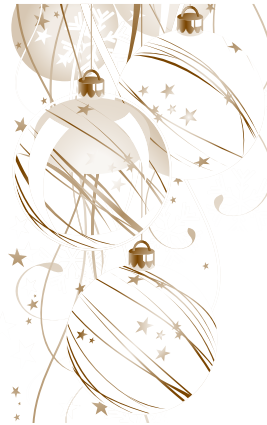
To learn more about this valuable MASA platinum membership, or to request an enrollment form, contact our benefits provider, AMBA, at 1-800-258-7041 and reference the RSEA MASA program.

Social Security: No 2011 Increase

Social Security beneficiaries will see no increase in their benefit checks next year.

For more than 58 million seniors and other beneficiaries, 2011 will mark the second year in a row without an increase. The last Social Security inflation adjustment, increase, was in 2009. Social security checks were increased 5.8% largely due to a spike in energy prices in the third quarter of 2008. Soon after energy prices plummeted. Then the bottom fell out of the economy and by the third quarter of 2009 overall price levels had fallen 2.1% from the same period a year earlier that meant no increase in 2010.

This year, while there has been some inflation, prices remain lower than they were in the third quarter of 2008. And that's the quarter that counts. By law, the Social Security Administration is required to track inflation using the most recent third quarter that led to an adjustment in monthly checks. So the 2011 decision is based on the change in inflation between the third quarter of 2008 and third quarter of 2010.



*Have a safe and joyous
Holiday Season
from all of us
at RIPEA*

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