

FROM THE PRESIDENT'S DESK

By Bob Doll

Once again we are at the beginning of a new legislative session. Among the several tasks that APEA members assign to the Association's Board of Directors and officers, representing their interests to the state administration and legislature is a major feature. This year Legislative Affairs Director Kurt Fredriksson, Medical Information Director Sam Trivette, and I will be in the Capitol to be sure that legislators are aware of our concerns. And we have some reason for optimism.

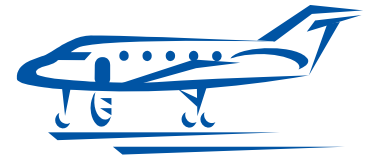
Bills have been pre-filed in both the House and Senate to reverse the state's move to a defined contribution plan and back to a defined benefit. These draft bills would also restore the ARM Board

to its previous status. The pre-filed bills are not identical; one would offer a choice to employees of a defined benefit or a defined contribution, while the other does not offer a choice.

It's too soon to say whether the Palin Administration will lend its support to this effort. We can point to the fact both houses, and members from both parties, have started the ball rolling with these pre-filed bills. But we know there will be resistance from some levels. We'll be working to see to it that some sort of defined benefit plan gains the endorsement of the administration and the approval of the legislature.

tate to let them know that you appreciate their leadership on this important issue.

- SB 23: Senators Elton, Ellis, French, Wielechowski, Menard
- HB 30: Representatives Haris, Hawker, Munoz, Kawasaki, Guttenberg, Gara, Lynn, Dahlstrom, Kerttulla, Herron
- HB 54: Representatives Tuck, Crawford, Buch, Cissna, Gara, Holmes, Petersen, Kerttulla, Guttenberg, Haris, Dahlstrom



Juneau Air Travel Discount

Alaska Airlines and the Alaska Committee have once again teamed up to offer Alaska residents an exclusive discounted round-trip airfare to Alaska's capital—during the Winter 2009 legislative session.

If you are a member of the Alaska Air Mileage Plan, you can redeem this discount as a Discount Code at alaskaair.com and save 30 percent off three- and seven-day advance purchase fares on travel to Juneau. These discounts are valid for travel between January 13 and April 26, 2009. To take advantage of this offer, enter the unique, single-use Discount Code **EC17408WLB159179** into the Discount Code box at alaskaair.com by April 19, 2009.

Sign into your My Account, then click on the Discount Code tab, where the unique discount code is saved. All you need to do is hit the "Shop" button and you'll be on your way.

Take part in your legislative process – by sharing your story in testimony or by showing strength in numbers by just showing up.

Legislation for Returning to a Defined Benefit Retirement Plan

By Kurt Fredriksson,
RPEA Legislative Committee Director

Three Bills (SB 23, HB 30, and HB 54) have been introduced in the legislature to repeal the current defined contribution retirement plan and return public employees to the defined benefit retirement plan. The Retired Public Employees of Alaska (RPEA) is on record supporting a defined benefit retirement plan for public employees.

RPEA believes Alaska's public employees should be covered by a defined benefit retirement plan that helps public employees continue to live in Alaska after they retire. Each of the three bills to return public employees to the former defined benefits retirement plan would provide a 10% Alaska cost of living allowance, and post retirement pension adjustment to offset inflation. There are no cost of living incentives in the current defined contribution plan for public employees to stay and contribute to Alaska after they retire.

Alaska's retired public employees make a significant contribution to Alaska's economy. According to a September 2006 study by the University of Alaska's Institute of Social and Eco-

nomics Research, 23% of Alaska's retirement population are public employee retirees. The study found that in 2004 all of Alaska's retirees brought an estimated \$1.46 billion into the state that was "roughly equal to what fisherman were paid in 2005 for their Alaska seafood harvests, or the value of zinc, gold, and other metals mined in Alaska in 2004."

Alaskans who make it to age 65 must be prepared financially for a long time in retirement. Twenty-nine percent of women who reach age 65 will also reach age 90. Eighteen percent of men who reach age 65 will make it to age 90. With no Post Retirement Pension Adjustment to help offset inflation, and no Cost-of-Living Allowance for living in Alaska, retired public employees face significant financial pressure to relocate to states with lower costs of living. Alaska's public employees should be encouraged to live out their retirement years in Alaska and not relocate to some other state or country that would reap the economic benefits of their retirement investments.

The following is the list of legislators that have sponsored the three bills to restore the defined benefit retirement plan for public employees. Don't hesi-



SE Chapter Report

By Gary Miller

The guest speaker at our January chapter meeting was Holly Handler from Alaska Legal Services. She was looking for volunteers to help people who are on Medicaid and who would act as trustees and payees for the Medicaid recipients. Some people lose Medicaid because they are a few dollars over the maximum income allowed. The trustee manages the money to keep the income below the maximum so the person does not lose Medicaid. Several people from our chapter signed up for more information and to maybe help.

I attended the Juneau Central Labor Council meeting. Newly elected House District 4 Representative, Cathy Munoz, attended. The two most important topics were eliminating the Defined Contribution tiers and opposing the move of the legislature. In my opinion, since the DC plan is less than the DB plan, people could be moved without a diminishment in benefits. That may not be true for people who pull their money when they quit.

I attended the Legislative Committee meeting and part of the Medical Committee meeting. Some of my proposals involve both committees as well as the Executive Board.

Our next chapter meeting will be Thursday February 12.

Northern Region Chapter

By Charlie Gallagher

Wouldn't it be great to have a meeting and no one came? Well, not really, but when we scheduled our Legislative Holiday in August we could not anticipate what we were up against 100 days away. It turned out to be The Interior Legislative Forum for the Performing Arts of Fairbanks -- the steepest slope to climb in town! And the NEA Retired Teachers Luncheon (OK, they are our pals, so no big deal there) and we scheduled on top of their regular meeting instead of ours -- Oops.

NR RPEA V.P. Judith Strohmaier put together an excellent spread amidst the beautiful holiday décor at the Princess Hotel. We had a great turn out of NR RPEA members. We were privileged with the appearance of RPEA's former Medical Director, Sara Hornberger from Lake Clark and Anchorage.

So who came from the Interior Legislative Delegation? Just one, Rep. Mike

Kelly who had just beat (that morning) our own RPEA member Mr. Karl Kas-sell! The ensuing discussion was led by our own Ms. Hornberger who took him to task for destroying a valid retirement system with one which has no retirement assurance -- basically a savings account. Well, the fireworks were polite, but not quite what one would expect at a Holiday Luncheon. Great theater and very entertaining. Mr. Kelly did not back down, nor did he convince anyone.

At the **Public Pension Coalition** meeting three days later, Mr. Kelly got the now available evidence that:

- * Tier 4 is costing more than Tier 3.
- * Tier 4 is a very negative force upon recruitment as it is a savings plan and forever excludes participants from basic Social Security.
- * Tier 4 employees who retire before Medicare at age 65 must pay all health costs. (First Responders notoriously "retire" at age 40-50. There is no provision for them!)
- * Tier 4 costs the State almost a half billion dollars each year, because Tier 4 contribution money goes to individual savings accounts, not the PERS/TERS. And after 5 years Tier 4 members can leave Alaska with it all.

Finally one **cogent teacher** asked, "Just who is this plan serving?"

Obviously the answer was *nobody* except the expensive private plan managers who, in the short time they have managed Tier 4, have lost **37%**. Meanwhile, ARM Board managed PERS/TERS accounts are down **16%** and the PFD is down **25%**. Retirees want real, full inflation proofing like we once had and social security now has!

Mr. Kelly also ventured his observations and opinions on gas lines and infrastructure negotiations with the oil companies saying negotiations must be tough. He diverged into a curious sort of apology about the failures of Governor Murkowski including his inability to negotiate except as a partner, not an adversary. Murkowski's 17% approval rating made him ineffective. Now we have Governor Palin's legislative problems. Other than on specific issues, she just can't seem to get engaged. This mirrored what Rep. David Guttenberg reported to us at our October lunch. He did support the Palin Team's negotiating style with Big Oil - tough and not

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Anchorage: 258-5065

Seattle, (877) 762-9597

Retirement & Benefits:

Juneau, 465-4460 or (800) 821-2251

Meeting Schedule

Southeast Chapter: First Thursday each month, 11:30 a.m., Prospector Hotel

Southcentral Chapter: Second Tuesday each month, 11:30 a.m., Anchorage Senior Activity Center

Northern Chapter: Third Wednesday each month, 12:30 p.m., Princess Hotel

RPEA Executive Board: Third Tuesday each month, 10:00 a.m., Anchorage APEA/AFT Field Office (via teleconference) 274-1720

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in bed with them.

Expectedly Mr. Kelly went after Unions and big project labor agreements as being restrictions upon personal freedoms to work. Finally he said, "We all want a gas "bulletline" down the Parks Highway, but it has to sell in Anchorage. That means it has to go there." A February gas discovery in Nenana would help.

In the end it was quite a meeting! New members were very enthused as the meeting had a great deal of substance. Who would ever have guessed that morning we would be celebrating a "Christmassy lunch alone with Mr. Kelly!" Rep. Kelly was quite informative and we thank him for his interest!

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RPEA NEWS

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MEDICARE IN 2009

By Sam Trivette,
Medical Information Director

As most of you are probably aware, Medicare does change regularly. 2009 is no different. The Medicare Rights Center is the nonprofit advocacy group which runs the Medicare Interactive Web site and they are expected to have an audio-visual presentation on the site soon outlining some changes. Go to www.medicarerights.org/webinars.html and look for "Changes to Medicare in 2009".

So what are some of the 2009 changes that could affect Medicare recipients? Increased premiums, deductibles and copayments to start, along with some extra help changes. The site also highlights other recent and ongoing updates, including the list of new Claims Processing Offices, Extension of Therapy Cap Exceptions, and New Marketing Protections for Consumers, etc.

If you are on or soon to be on Medicare, a few moments on this site would be time well spent. If you don't have access to the internet at home, ask a family member, friend, or the public library to show

you the site. And remember to let us know your e-mail address so we can keep you informed of important retiree information beyond what we have in our newsletters.



DOCTORS TAKING MEDICARE

By Sam Trivette,
Medical Information Director

In some areas of Alaska, including Fairbanks and Anchorage, it has become almost impossible to find a gen-

eral practice physician who will take a patient on Medicare – and this includes many RPEA members. It is becoming a problem in other areas of Alaska and in the "lower 48" as well.

We are so thankful that our Congressional Delegation late in 2008 got legislation passed that will allow for a 35% *permanent* increase in Alaska for Medicare payments to providers. Folks differ on what the expected impact of this increase will be. We know this is a huge issue for many RPEA members and RPEA worked tirelessly with other groups to urge passage of this legislation. We are also thankful that several of our members have offered to begin a new survey of physicians in January 2009 to try to determine what effect, if any, this 35% increase has had. We will provide the summary information to you as soon as it becomes available. I'm hoping we can provide very specific information, depending upon how forthcoming the providers are. If you get specific information on this issue on a physician or other health care worker whom you are seeing (or tried to see), please email or phone our office.