

Wisconsin Coalition of Annuitants

Minutes of Meeting July 15, 2009

The meeting was held at the Wisconsin Professional Police Association Building, 304 Coyier Lane Madison and was called to order by Chair Jim Palmer at 9:34am.

MEMBERS & ALTERNATES PRESENT: O. Berge, WARSDA; B. Fendel, AFSCME; E. Frank, DNR; J. Gruentzel, DOT; M. Held, WFT-R; C. Howard, WEAC-R; A. Hubbard, WSAA; E. Kehl, DILHR/DWD; D. Klimpel, UWMRA; D. Kratz, CORR; J. Miller, DNR; J. Munro, WARSDA; J. Palmer, WPPA; D. Rohweder, ESP, W. Rowe, ACE; B. Schaefer, SEA; J. Stoddard, CORR; J. Vreeland, WAUWATOSA; A. Wallace, UWMRA.

GUESTS: V. Hearing, D. Schmidt, T. Shoemaker, M. Stohr.

EXCUSED: J. Egan, J. Elmer.

Guest introductions: Terry Shoemaker, Corr. Retiree, Don Kimple, President UWMRA.

MINUTES of the June meeting were corrected and approved as follows: Under New Business, "ETF has said they do not have any responsibility or authority for retiree dental plans, however, ETF contracts for the active employee's dental plan does payroll deduction and the GIB approves rates for Anthem Dental Blue and this is considered a benefit to actives."

GUEST: Matt Stohr, Director Legislation, Communications & Planning, ETF

Mr. Stohr provided a summary of the budget items that impact ETF. Twelve items were identified and Mr. Stohr discussed the major changes.

In June there was discussion and concern regarding retiree organizations obtaining mailing lists of retirees from ETF and having ETF deduct organization dues. This item was removed from the budget by the Conference Committee. Ch.40.07 prohibits ETF from releasing personal information and the WCOA strongly support the statute. This was not the first time this type of bill was introduced and it will resurface in the future. WCOA had various concerns with this bill.

The ETF budget discussion at our June meeting had many unknowns. The budget was scaled back to reflect the furloughs and had the 2% represented employees 7/1/09 increase removed, as did all agencies. As a result, like other agencies, ETF has a budget "hole". Furloughs of ETF employees for eight days each fiscal year have not been determined other than the four days each FY identified by the Governor. ETF will be completing their furlough plan soon.

Deemable earnings, credible service, and contributions to the WRS will be as if the State participants had no reduction in work hours for the period 7/1/09 - 06/30/11.

Domestic partners as dependents will be treated the same as spouses and will require an Administrative Rule for Ch. 40 to be effective January 1, 2010. The Administrative Rule, upon approval by the five ETF Boards, will become a public document. This change affects all sixteen ETF programs. An affidavit will be developed to reflect domestic partner status and numerous forms will be changed. The registry created in Ch.770 is not connected to any Ch.40 changes.

A number of health insurance coverage changes will occur on 1/1/10 and will have an impact on cost.

The legislature has appropriated \$5,000 GPR to study the formula maximum of 65% protective with social security, 70% for general and 85% protective without social security. The concern is the protective with social security that are not on an equal basis with the general employees.

Education support staff changes were discussed at previous meetings and were included in the budget. Employment of 440 hours per year allows support staff participation in the WRS. Full time creditable service for early retirement would be credited at 1320 hours the same as teachers. Additional information on ETF website: <http://etf.wi.gov> under Employers.

Most budget items are effective immediately with the exception of domestic partners and health coverage changes which will be effective January 1, 2010.

Domestic partners includes retirees, however, you can not change the annuity choice. Again, it is important to have a beneficiary designation updated and on file with ETF.

ETF will have a technical bill to clarify budget required changes and a bill on the Variable closing. Watch the ETF website! As information becomes available it will be posted.

Dan Schmidt, Senior Analyst, Legislative Council

With the budget completed the Legislature has recessed until the September floor session.

The actuary study mentioned by Mr. Stohr will be done using the \$5,000 which if not used will lapse on 7/1/10. JSCRS also was appropriated \$15,000 for other actuarial studies that might arise and these funds will carry over if not used and will accumulate for future studies.

There are a number of bills that are in committee but have not moved. SB161 (Act15) has some Milwaukee County Employees who now administer Medical Assistance Programs for the State to be eligible to participate in the WRS as opposed to the Milwaukee County Pension System.

AB337 would require municipal employees to pay the first 3% retirement to WRS and can not be paid by the employer. Present law gives the employer the option to pay the employee share and the Benefit Adjustment Contribution (BAC). The bill was referred to the Committee on Urban and Local Affairs.

The 2008 Comparative Study will be published in January 2010.

The Legislative staff has agreed to accept the Executive furlough plan.

Discussion: Should the WCOA respond to editorials and other releases that are not factual? ETF should continue to emphasize there is an employee and employer contribution. Mr. Stohr will forward a letter he sent to the Kiel School Board in response to their letter. The secretary will email the "Talking Points", long and short version, done by WCOA.

Vicki Hearing, Public Information Officer, SWIB

September 8, 2009 is the SWIB Reception, invitations will mailed.

After the markets jumped around the end of June the Core was 4.4% and the Variable 8.1%. The S&P was 3.2%, Russell 1000 4.3%, Russell 2000 2.6%, Bonds 0.6. The International Markets 9.3% and the surprise was Emerging Markets 36%.

SWIB hired a Head Trader, David Meyer. Large Cap that was brought Internally will now be going Global and there will be some staffing changes to cover trading.

CORRESPONDENCE: None

OLD BUSINESS: Annual Conference committee should be appointed. The Chair will appoint.

NEW BUSINESS: Annuitant Roundtable (ART) future - ART needs to be restructured. Ideas are: "piggyback" with the WCOA Conference, have two ART meetings a year, have ETF and SWIB as a guest at WCOA when they have an issue, utilize email, maintain the dialog between ETF, SWIB and WCOA. There are only a few who attend the ART that are not part of the WCOA and they are welcome to attend WCOA.

Secretary Stella will be sending out a letter to past ART attendees.

Invite to conduct WCOA September or October meeting at SWIB Office -

Discussion concluded with no August meeting we should have our regular meeting September 16 and meet at SWIB October 21.

NOTE ----- NO AUGUST MEETING

NEXT MEETING: September 16, 2009 9:30 am, WI. Professional Police Association Building.

The meeting adjourned at 11:45am

Respectfully submitted – Dick Kratz