



Hickory Stick Gazette

Ogle-Lee and IRTA – Your Link To Springfield

October 2017



<http://ogleleerta.weebly.com> www.irtaonline.org

Our next meeting is set for Tuesday, October 10th at the Lutheran Outdoor Ministries Center (LOMC).

It is south of Oregon at **1834 IL Route 2**. Drive through the woods and follow signs to the main dining hall. ***Valet Parking will be available.***

Doors open at 11:00 AM, with the business meeting at NOON, followed by lunch and then the program . RESERVATIONS are required. Your contact person will call you for your reservation. **If you have not received a call by September 29th, please call Marvel Blomberg at (815) 562-2884.**

REMINDER: We must pay for your meal if you made a reservation, even if you can't attend. The cost of the meal is \$15. ***The menu will include plated salad and roll, roast beef, mashed potatoes, green beans, apple crisp, coffee, tea and water.***

If you reserve a meal and find that you will not be able to attend, please call Marvel Blomberg (815/562-2884) in order to cancel your earlier reservation. **It will be too late to cancel your reservation after October 1st.** If this occurs, please send \$15 to Ogle-Lee Treasurer, Linda Kenney, P. O. Box 314, Rochelle, IL 61068. **Please do not call Lutheran Outdoor Ministries Center to make or cancel a reservation.** If you are planning to attend the October 10th meeting, you will be able to pay for your meal when you arrive.

Program: Gail Beck, a KSB Hospital dietician – Mindless Eating –being more aware of what you eat! A down to earth/common sense approach to one's diet!

Chris Gluck, District Manager of AMBA (our Benefits Group) will be present also.

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We will be voting on these open positions at the October meeting:

- Co-Presidents – Rebecca Cheek and Michele Glen**
- Legislative Representative – Kim McKenna**
- Webmaster – no nominations.**

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CONSTITUTION AND BYLAWS REVISIONS

The revisions to the Constitution and Bylaws of the Ogle-Lee Retired Teachers Association were presented at the July 11th general meeting. They have been posted on the website for you to read. We will be voting on these revisions at the October 10th meeting. If you are unable to view them on the website, please contact Jean Whipple to receive a copy of the revisions.

October 2017 – Legislative Update – Keith Erhart

The waiting game is over. After going two years without a budget in Illinois, the state legislature

passed three bills (SB6, SB9, SB42) which comprise the Fiscal Year 2018 state budget. SB9 is the revenue portion of the budget package which will increase the 3.75% personal income tax to 4.95% and the corporate income tax from 5.25% to 7% effective July 1, 2017. The permanent income tax increase is expected to generate about \$4-5B annually. Our pensions continue to be state tax exempt for now.

Most of us are so relieved to finally have a state budget, and not be the laughing stock of the nation, that we didn't notice the details in those three bills. For starters, the state adopted some changes to our pension system. These changes are cost-saving measures in the short term for our state government. You might recall how Gov. Rauner and the state legislature were upset in August, 2016 with the TRS Board of Trustees for reducing the assumed rate of return on investments from 7.5% to 7%. This reduction required the state to increase its contribution to TRS because it was now assumed that the return on investments would be lower in the future thereby increasing the system's unfunded liability. Last October, TRS was certified to receive \$4.564B from the state for FY18 which began July 1, 2017. However, the recently enacted budget law will "smooth" or slow down the implementation of the reduced assumed rate of investment return over the next five years. The result will lower this year's state contribution to TRS by \$530M thus increasing the system's unfunded liability. This reduction will cost the taxpayers triple or \$1.5B in the future. This "kicking the can down the road" by postponing obligations is what continues to plague our state. Of the \$4.034B payment to TRS, only \$975M is all that the state would be required to pay if they acted responsibly from the beginning as TRS would now have been fully funded.

Another change created by this year's passage of a state budget is the creation of Tier III for future and current Tier II active teachers. Tier III is part of the Rauner Turn Around Agenda to convert Illinois' pension systems from Defined Benefit (DB) to Defined Contribution (DC) plans. Tier II was created for all teachers new to TRS hired after Jan. 1, 2011. Tier II teachers will receive only about 60% of the value of our pension yet contribute the same 9% of salary as Tier I active teachers. Tier II pensions are considered self-funded with no employer or state contribution. It is so bad that one-third (3% of the 9% teacher contribution) isn't necessary and goes to pay for our pensions! Current and future Tier II teachers will have the option of joining Tier III. Presently, 30,000 of the 160,000 active teachers are in Tier II. Tier III is a combined Defined Benefit and

Defined Contribution plan. The Defined Benefit is a pension but will be less than 40% of what we receive. The Defined Contribution will be similar to a 401(k) or 403(b). The state will contribute 2% of salary for three years and then require school districts to pay 2% in future years. For years the legislature has discussed a cost shift of the employer portion from the state to the school districts. This is the "foot in the door". Also, any employer match of the Defined Contribution plan would be locally negotiated between the teachers and school districts. Sadly, it seems that every decision involving public education and the teacher pension system comes down to cost-saving measures for our state government.

I want to welcome and thank Kim McKenna for taking over the legislative position for Ogle-Lee. I have talked with her and feel she will do an excellent job. I want to thank all of our members for your efforts to continue to fight for our pensions and health insurance that we contractually earned and constitutionally deserve.

IRTA-PAC – Please consider joining the IRTA-PAC donation deduct program as you will automatically be enrolled in a one dollar per month contribution to support those legislators that support us.

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ANNUAL DUES

If you are one of the people who pay your \$40.00 dues to the IRTA each year, please consider changing over to dues deduct. This means that \$2.50 is taken out of your pension check from TRS monthly only amounting to \$30.00 per year. You save yourself \$10.00 a year and never have to write a check. The forms will be available at the October meeting or contact Jean Whipple and she will mail you the form to fill out and send in.

If you wish to continue paying annually, you will now be asked to mail it directly to the state. It will not be collected by our local association. IRTA will send you renewal notice.

*Local annual dues of \$5.00/year will be collected at the October meeting or you can mail it directly to our Treasurer, **Linda Kenney P.O. Box 318, Rochelle, IL 61068.** If you have any questions, please do not hesitate to call Jean **(815) 222-2681** or contact her via e-mail at*

jwhipple5@gmail.com.

Ogle-Lee Retired Teachers Association
 Jean Whipple, Membership
 8551 Yellowstone DR
 Byron, IL 61010

IRTA Foundation

If you have donated to the IRTA Foundation with the address label campaign, you are helping retired teachers in need. This person was responding to our IRTA Foundation's generosity to her.

"I cried with happiness the entire morning after your call. I wasn't planning to move so suddenly, so my plans to be more solvent financially were at a stand-still. Because of your kindness and generosity, I enter this new phase of my life with great contentment. You have taken care of me for many years. Those years would have been quite difficult without your help. Teachers helping other teachers is a source of great pride in Illinois. Again, words cannot express my gratitude."

2017 Ogle-Lee RTA OFFICERS

Co-Presidents	Jean Hoff Jean Whipple
Co-Vice-Presidents	Diane Kenney Carole Sutton
Secretary	Elke Grennan
Treasurer	Linda Kenney
Membership	Jean Whipple Sharon Bayme
Member Benefits	Phillip Bratta
Legislative	Keith Erhart
Contact Coordinator	Marvel Blomberg
Historian	Loretta Bell
Webmaster	Richard Longfellow

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NEXT EXECUTIVE BOARD MEETING:
 Tuesday, November 14 -10 a.m. Byron Library

