



EPSILON SIGMA PHI- ALPHA SIGMA WISCONSIN CHAPTER

Benefits Review

2011-2012 Committee Report Submitted for the ESP Annual Meeting, held on April 12, 2012.

Purpose:

Monitor proposed, pending, and enacted changes regarding employee and retiree's economic benefits including Wisconsin Retirement System (State of Wisconsin Investment Board SWIB and Employee Trust Funds ETF), Federal Retirement, Social Security, and staff benefits; and keep members informed of changes.

History:

Epsilon Sigma Phi and Wisconsin Cooperative Extension administration have a long history of providing information on Federal and Wisconsin State Teachers pensions, Social Security and Staff Benefits to Extension workers and retirees. Past sources for information on retirements were:

1. L. G. Sordon, Maynard Mickelson, and Richard (Dick) Johnson -- Staff benefits in that order.
2. Truman Graf - Retiree, ESP and WREA: About 1987, with retirement of Dick Johnson and initiation of a lawsuit contending that the use of trust funds to pay supplemental benefits was unconstitutional. Wisconsin Retired Educators Association along with State engineers initiated and conducted the lawsuit. Many extension retirees as members of WREA participated in that effort.
3. Gayle Worf - Retiree ESP, and
4. Dwayne A. Rohweder - Retiree, ESP, WREA, and UW Retirement.

For many years reports of retirement and staff benefits were presented at an ESP session in the Wisconsin Extension Workers conference. The sessions were well attended by workers and retirees.

Duties and Responsibilities:

- *Serve as liaison to the Wisconsin Coalition of Annuitants WCOA at their monthly meetings at 9:30 am on the 3rd Monday of each month at the Wisconsin Professional Police Association, 660 John Nolan Drive - Madison.
- *Stay abreast of changes to State and Federal pensions that impact employee and retiree benefits.
- *Connect with retiree committee where advocacy is needed on issues, may be on short notice.
- *Prepare reports for three ESP newsletters, ESP summer picnic, and monthly reports to Cuba Kids and other extension retirees that are ad hoc informal organizations of ESP.
- *Report to ESP Board.

*Increase membership on committee.

Membership:

Present members on the committee are Larry Bundy - emeritus UW Extension Soils Specialist; Ms. Kathy Eisenmann - UW Extension Family Living faculty, Jefferson County; and Dwayne A. Rohweder - emeritus UW Extension Agronomist - Chair. Larry Bundy has attended WCOA monthly meetings with me since January 1, 2012.

This committee is an important committee in the life of each ESP faculty and retiree member.

Concerns and attacks on the status and health of public retirement systems are being floated in various media throughout the state and nation. The Wisconsin Retirement System WRS is an outstanding retirement system that is well funded. Our objective is to keep employees and retirees informed of possible changes and the effects on their pensions. Additions to the committee are needed and welcomed. It has been suggested by ESP that the committee have at least three present workers and at least three retirees (recent and past) to assist in monitoring legislation and materials in the press.

This past year I have participated in the WCOA monthly meetings and the annual meeting, WRS seminars, WREA Legislative committee meetings because that organization has a lobbying function on behalf of retirees, reported to ESP functions and monthly Cuba Kids meetings on the status of their retirements.

Your Retirement Today:

Employees - ETF has reported effective rates for the Core fund of 1.5% and for the Variable fund a negative 3%. Effective rates are applied to retirement accounts of active employees and eligible inactive members.

Retirees - In your recent ESP newsletter, you noted that I reported projected annuity adjustments of between a negative 4% and 4.5% for the Core fund. But, the annuity adjustment for both the Core fund and the Variable fund for retirees is a negative 7%. The reason for this drastic change was that the model used prior to the release did not take into account the number of retirees who are at their 'floor' amount or may reach that amount. Of the approximate 167,000 retirees, about 45,656 retirees will not have their Core annuity reduced because they retired after 2008. Another 24,690 will have less than a 0.07% reduction because they will reach their 'floor'.

Federal Retirement and Social Security annuities have received a 3.6% adjustment.

Respectively Submitted

Dwayne A. Rohweder - Chair