



OREA *News Bulletin*

A Publication of the Oklahoma Retired Educators Association

Winter 2011

Your Pension Benefits are SAFE

Just like clockwork, the critics of public defined benefit pension plans routinely hit the news with assertions that state-sponsored pension systems are in deep financial trouble, and are soon going to run out of money to pay benefits. Such is the case in a recent article that appeared at an internet news site claiming that Oklahoma state pension plans will run out of money in the year 2020. Commenting on a study by two college professors from a prestigious Big Ten university, the internet article did not specifically name the Oklahoma Teachers' Retirement System as the reason for the gloom and doom prediction, but since TRS is the biggest and most poorly funded of Oklahoma's pension systems, it had to be the target.

Once more, let's refute the study's thesis with respect to TRS. The Teachers' Retirement System will not run out of money in 2020, and it will be able to continue making benefits payments in full for decades to come. Proof of that is the recent annual actuarial study for the retirement system, in which the actuaries presented their projections that the system, with no changes in current fundamental assumptions, will be able to pay out benefits all the way through the year 2050. Even at that date the system will still have billions in assets and a projected funding level of 28.9%. Of course, that would be a decline of about 19% from the current funding level, but nowhere near the exhaustion of funds predicted by the professors' study.

In the interest of full disclosure, OREA believes that TRS is poorly funded. It needs more money, and plenty of it, to achieve an acceptable level (75-80%) of fiscal health in the next 20-30 years. But, the study highlighted in the internet article is so far off base that it truly warrants one TRS trustee's comment that it was "irresponsible." TRS is not in financial crisis. Responsible leaders making responsible decisions based on sound knowledge of the retirement system can make TRS secure for all present and future retired educators. That's what OREA believes, and that's what we will work to accomplish.

Board (Partially) Restores TRS "Credit"

At its December regular meeting, the state Board of Education took action to direct \$18 million in funding to the Teachers' Retirement System as partial payment for the TRS retirement "credit" for active educators. Since 1998, the legislature has appropriated \$35 million per year to pay for a fixed dollar amount of TRS contributions required of educators currently employed. The 2010 legislature, however, did not specifically earmark money for the "credit," resulting in a Board decision to divert the funding from its intended purpose toward an additional allocation for school districts to help pay for employee health insurance premiums.

For several months, Board officials and Republican legislative leaders had been at loggerheads over whether enough funding had been provided by the legislature, and where it should have been directed. The Board's action prompted a request from the TRS Board of Trustees for a state Attorney General's opinion. Recently rendered, the AG opinion declared that the funding should have gone to TRS.

~ Continued on Page 2 ~



2011 OREA Legislative Goals	Page 2
Defined Benefit vs. Defined Contribution	Page 3
2011 OREA State Convention	Page 4
District Directors Elections in Northeast and North Central Districts	Page 7

...Continued from Page 1

OREA supported the action of the TRS Board of Trustees to seek the AG's opinion, and is pleased that at least a portion of the "credit" funding has taken place. The end result of the contentious process is that TRS got some money, but less than it should have. We're not surprised, because that's emblematic of the pattern of long-term neglect of the retirement system by Oklahoma's political leaders.

Toward a Brighter Future

An improving state economy and shrinking budgetary deficits offer some hope that 2011 and the years beyond will be better ones for retired educators and all Oklahomans. In contrast to bleak numbers in the 2009-11 budget years, the state Board of Equalization received relatively good news in December from the state Tax Commission and the Office of State Finance.



*Weldon Davis,
President*

Preliminary tax figures indicate a revenue shortfall for the 2012 Fiscal Year beginning July 1 of \$226 million or less, contrasted with deficits three times higher each of the last two years. The Board of Equalization will certify final revenue figures in February, on which the legislature will craft next year's state budget.

OREA lobbyists, supported by OREA members, will give it their best shot to achieve an ambitious set of legislative goals recently announced by the Government Relations Committee and Board of Directors. The 2010 elections are behind us, and the task at hand is to work in cooperation with legislators of both parties to promote a positive climate for retired educator progress. Let's work together, not alone, to speak with one strong voice for Oklahoma's retired educators.

Let's Hear Your Thoughts on HealthChoice

OREA Executive Director Norman Cooper serves on the HealthChoice Advisory Council. He would welcome your comments and questions about how HealthChoice serves your needs. Norman can be contacted at ncooper@okea.org or (405) 523-4371 (OKC Metro) or (800) 310-2230. His U. S. Mail address is: Norman Cooper, Executive Director, Oklahoma Retired Educators Association, P O. Box 18485, Oklahoma City, OK 73154.

2011 OREA Legislative Goals



1. Protect and improve the Teachers' Retirement System (TRS) defined benefit plan design.
2. Achieve a TRS cost-of-living benefits adjustment (COLA) comparable to other state retirement systems by amending pension statutes to establish the same assumed COLA rate for all systems.
3. Increase the TRS health insurance premium subsidy for retired educators by \$100 per month, and provide individual retirees the option to enroll/re-enroll in state-sponsored health insurance programs after initial retirement upon occurrence of a qualifying event.
4. Ensure adequate actuarial funding for the Teachers' Retirement System.
5. Increase from \$5,000 to \$7,500 the death benefit payable to beneficiaries of retired educators.
6. Protect the state's revenue base by balancing any tax cuts with corresponding withdrawals of tax credits.
7. Provide a one-time "catch up" benefits improvement to qualifying retired educators living at or below the poverty level, and who meet years of service criteria.
8. Support adequate state funding for public education at all levels.



“Defined Benefit” vs. “Defined Contribution”

The Crux of the Issue

OREA has had plenty to say about the defined benefit (DB) versus defined contribution (DC) pension argument before, and we’ll have more to say in the future. For the time being, however, let’s make clear our belief that a change from the current defined benefit plan design of the Teachers’ Retirement System to a defined contribution program would undermine the retirement security of present and future retired educators.

The key words are “retirement security.” A DB plan provides retirement security. A DC plan does not. After careers of service to the school children of Oklahoma, retired educators have the right to expect financial security for all their retirement years. They should not have to worry about outliving their retirement money. They should not have to be responsible for making complicated investment decisions on their own, nor should they have to pay exorbitant fees to investment professionals, many of whom have shown in recent years their ability to lose money just like amateurs. OREA believes in personal saving and investing, but it should serve as a supplement to guaranteed income provided through a defined benefit pension plan.

For currently retired educators who believe that a switch from a DB to a DC plan for future retirees not presently in the retirement system will do them no harm, please consider that the likelihood of periodic cost-of-living benefits adjustments (COLAs) for current retirees will diminish significantly if lawmakers succeed in shifting the burden of planning and saving for retirement from the state to the individual.

We’ll say more on this issue in the future. Right now we encourage retired educators to have something to say to their legislators today.

Legislative Makeup Heavily GOP

The 2010 elections tilted political power in the legislature strongly in the direction of the Republican Party. From a 26-22 advantage the last two years, the GOP picked up five additional seats in the Senate to reach a strong 31-16 advantage. Newly elected Lt. Governor Todd Lamb has resigned from the Senate, and a special election will be held soon to choose a replacement. The seat is considered safe for the Republicans, which would provide the party a two-thirds majority.

In the House, Republicans increased their majority from 62-39 from the previous session to 70-31 in 2011, more than a two-thirds majority.

Both the House and Senate will be under new leadership, with Brian Bingman of Sapulpa replacing the termed-out Glenn Coffee as Senate President Pro Tem, and Kris Steele of Shawnee taking over for termed-out Chris Bengé as Speaker of the House. Add in Republican Governor Mary Fallin, and you’ve got a clean sweep when it comes to writing the laws of the state.

The significant electoral shift in recent years has changed the political ball game at the state Capitol. OREA members are encouraged to take note. In particular, in regions of the state where members did not regard lobbying of their Republican legislators as useful when the GOP was in the minority, members are encouraged to become more active players on behalf of the OREA legislative agenda. Your support is needed. In fact, retired educators will not win without you.



*Weekly Updates
Throughout Legislative Session*

The 2011 legislative session begins Monday, February 7, and ends no later than Friday, May 28. Learn about the progress of the OREA legislative agenda throughout the session by checking weekly updates on the association’s internet website at www.orea.org. Another way to keep informed is to make sure OREA has your e-mail address. For those who prefer using the telephone, condensed versions of legislative updates will be available on the OREA legislative hotline at (405) 525-2030 in the OKC Metro or (800) 310-2230 toll free statewide.

2011 OREA State Convention - Friday, May 20



Dr. Chuck Jackson

Dr. Chuck Jackson will be the keynote speaker at the May 20 Annual State Convention in Tulsa. Well-known throughout the U.S. and Canada as a dynamic motivational speaker, the Tulsa native's unusual style incorporates the use of humor to entertain, enlighten and uplift his audience. He has presented hundreds of workshops, seminars and keynote addresses over the past twenty years to parents, active and retired educators, students, and corporate groups.

Don't be surprised to see Dr. Jackson take the stage in bib overalls, and use colorful props, audience participation, music and demonstrations to engage participants in the delivery of his message.

Use the convention ticket order form below to purchase your transferable discount ticket to the convention for the modest sum of \$10. Order as many as you like, but be sure to beat the price increase to \$12.50 on March 15 and \$15 on May 1.

- Tulsa Doubletree Hotel at Warren Place/6110 S. Yale Avenue
- Continental Breakfast begins at 8:30 a.m.
- Two workshop sessions - 8:55 a.m. and 9:45 a.m. - with 4 choices each session
- Convention general session begins at 10:30 a.m.
- Lunch – included in the price of the ticket – will be served at noon
- Very Important Member (VIM) presentation immediately following lunch
- House of Delegates convenes for business at approximately 1:45 p.m.



Tulsa Doubletree Hotel at Warren Place

All OREA members are invited to attend a special pre-convention social activity Thursday evening, May 19, from 6:00 until 8:00 p.m. in the Doubletree Hotel. Last year's event in Stillwater was so successful that we expect even larger attendance this year. It's free, and it'll be fun, so come on down!

Members may contact the Tulsa Doubletree Hotel at Warren Place for room reservations at the discount rate of \$80.00 per room (up to four occupancy), plus applicable taxes. The hotel telephone number is 1-918-497-2181. Let them know you will be attending the 2011 OREA Annual State Convention and House of Delegates. Parking is free for OREA members attending the convention, including those staying overnight. The hotel is directly west across the street from St. Francis Hospital.

Continental Breakfast 8:30 a.m.	2011 OREA CONVENTION	Luncheon 12:00 noon
Name _____		Tulsa Doubletree Hotel at Warren Place 6110 S. Yale Avenue Tulsa, Oklahoma Friday, May 20, 2011
Address _____		
City, State & Zip _____		
Tickets: \$10.00 each if purchased January 1 - March 14 \$12.50 each if purchased March 15 - April 30 \$15.00 each if purchased after May 1		Number of tickets ordered _____ Amount Enclosed _____ (Price includes breakfast, lunch & parking)
Mail this order form to: OREA, P.O. Box 18485, Oklahoma City, OK 73154 Your tickets will be mailed to you - Pre-registration is required!		

HAVE YOU PAID YOUR 2010-2011 MEMBERSHIP DUES?

If you pay dues annually, don't forget to mail in your membership dues check for this year (September 1, 2010-August 31, 2011). Just complete the annual membership form on the right and return to OREA or your local county membership person. Remember to send your local dues to your local membership chair. If you want to avoid renewing each year, choose the continuous membership form below to have your dues payroll deducted monthly in the amount of \$3.00.

2010-2011 MEMBERSHIP FORM

OREA (State) - Select One

- OREA Annual (\$36.00)
- Continuous (3.00 per month withheld by TRS)
Be sure to sign the form below

NEA-Retired (Optional) - Select One

- NEA-R Annual (\$25.00 - cannot be payroll deducted)
- NEA-R Lifetime (\$200.00 - cannot be payroll deducted)

~ Dues payable by check or money order to OREA ~

The following section must be completed - please print

Name _____ Social Security Number (required by TRS) _____

Address _____

City _____ State _____ County _____ Zip _____

Telephone _____ Email _____

***Continuous Membership Authorization (Signature needed only for continuous membership)**

I hereby authorize the Teachers' Retirement System of Oklahoma to deduct **\$3.00 each month** from my benefit check and to remit same to the Oklahoma Retired Educators Association for payment of ANNUAL DUES. This authorization is to remain in effect until cancelled by written notice to the Oklahoma Retired Educators Association. I understand this is a voluntary authorization and my receiving a monthly benefit allowance is not dependent on membership in this Association.

Signature _____

Date _____

Please return your payment or dues deduction form to OREA * P.O. Box 18485 * Oklahoma City, OK 73154



LifeLock Identity Theft Protection

Any time, any place, any time. Identity theft can happen. If it does, you could spend hundreds of hours cleaning up your credit and struggling to get back your good name.

LifeLock is the leader in identity theft protection, protecting more than 1 million nationwide. LifeLock usually costs \$10 a month per adult, but through OREA's purchasing power, discounted membership costs only \$8.99 for an individual and \$14.99 for a family. Call North American Life Plans at 1-888-362-1214 to sign up.

Are you taking full advantage of the many exclusive benefits of OREA membership? Check them out by visiting www.orea.org or calling the OREA office for more information.

OREA IN YOUR COMMUNITY

Your local OREA unit should have a visible presence in your community. There are many ways that an OREA local unit can be involved in the social, economic and civic fabric of the community it serves. Here are some ideas that have been used in several locals across the state. Try some of the ideas listed below and see if it makes a difference. Let us know what works for you. Email your comments to Cindy Dronyk, Communications Committee Chair at cdronyk@sbcglobal.net.

- Begin a scholarship fund for students in your community.
- Offer a scholarship for active teachers to further their education.
- Establish an Angel Tree for Christmas at one of your meetings.
- Collect school supplies each meeting for needy students. Donate them to your local schools.
- Collect food each meeting for the food banks in your community.
- Recycle recent magazines and books after you have finished reading them to doctors' offices and hospitals. Label the items to say: Provided by _____ County Retired Educators.
- Start a fund to help retired educators in your local with unexpected expenses.
- Participate in the Read Across America campaign with local schools.
- Provide help in local classrooms by reading to students, helping with math, or assisting with other subjects as needed.
- Host or co-sponsor educational forums to present information relating to education issues such as school bond elections.
- Prepare welcome baskets at the beginning of the school year to greet and welcome new teachers.
- Sponsor a community reception to meet new school administrators and staff.
- Maintain a program in which current educators receive congratulatory notes for achievements.

March 1

Membership to Determine Delegate Allocation

OREA state office records of a local unit's membership as of March 1, 2011 will be used to determine delegate allocation for the 2011 House of Delegates, to be held in conjunction with the Annual State Convention in Tulsa on Friday, May 20. Following the same formula used last year, local units will be entitled to an automatic delegate for their elected president, plus an additional delegate for 2-30 members, or major fraction thereof. Thereafter, an additional delegate will be granted to the unit for every 30 members, or major fraction thereof. Delegates and alternates may be elected at any time, but not later than April 10, with the proper delegate forms filed at the OREA office no later than April 15. The state office will notify local units of their delegate numbers soon after March 1.

April 5

Deadline for Proposed Amendments, Resolutions and New Business

The OREA Constitution Committee has announced an April 5 deadline for member and local unit submission of proposed amendments to the OREA Constitution for possible consideration by the 2011 House of Delegates on May 20. The same date will apply for submission of resolutions and new business items. All proposals should be sent to: Theo Crawley, Chair, Constitution Committee, Oklahoma Retired Educators Association, P. O. Box 18485, Oklahoma City, OK 73154. Please contact Sharon Cox at OREA for approved forms (scox@okea.org, 405.523.4373 or 800.310.2230). Sharon will provide a copy of the OREA Constitution on request.



DISTRICT DIRECTOR ELECTIONS IN NORTHEAST AND NORTH CENTRAL DISTRICTS

OREA elections for District Director for the Northeast and North Central districts will be held at spring workshops on April 1 and April 8, respectively. Winning candidates for each district will serve three-year terms beginning July 1 on the OREA Board of Directors. Candidates must be members in good standing of both OREA and a local unit in the district where they seek election. A district map can be found on the OREA website at www.orea.org. Members wishing to become candidates for either office should contact Sharon Cox at OREA (405.523.4373 or 800.310.2230 toll free) for more information on election procedures. The filing deadline for both positions is Tuesday, March 1. Tentative election sites are Claremore (Northeast) and Stillwater (North Central).

Teachers' Retirement System by the Numbers

Do you want to learn more about the Teachers' Retirement System, but don't have the time to do a ton of reading from multiple sources? Perhaps you would be interested in an OREA compilation of statistical information from the June 30, 2010 actuarial valuation conducted by the firm Gabriel Roeder Smith and Company. It's called *Teachers' Retirement System by the Numbers*. OREA lobbyists use the two-page document to educate lawmakers about the basic facts and figures of the retirement system. You can have it by contacting OREA Executive Director Norman Cooper at ncooper@okea.org.

Round Two of TRS Pre-Retirement Seminars

Since they were so effective and well-received when held in the fall, the Teachers' Retirement System is again offering a series of pre-retirement seminars for active educators. Starting January 22 at the Tulsa Technology Center, pre-retirement seminars will be held at tech centers in Oklahoma City on January 29, in Ponca City on February 12, Burns Flat on February 26, and Ardmore on March 5. The seminars are for active educators contemplating retirement in the near future.

As with the first round of seminars, OREA will participate through the operation of an information booth, where we are able to communicate directly with future retirees about the advocacy role of OREA, its history of accomplishments, current and future goals, and the many personal, financial, and professional benefits that come with membership.

Starting at 8:30 a.m. and ending by noon, each seminar covers subjects such as the essential details of the retirement process, determining retirement benefits, making critical benefits choices, how to coordinate TRS benefits with Social Security and Medicare, and the importance of supplemental saving/investing for a prosperous retirement. Plenty of TRS retirement counselors are on hand to provide individual counseling and estimates of retirement benefits.

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Spring District Workshop Schedule Announced

The following schedule has been announced for OREA Spring District Workshops:

Northeast District

Friday, April 1st
St. Cecilia's Catholic Church/Education Center
Claremore

North Central District

Friday, April 8
Place To be Announced
Stillwater

The following districts will not have a workshop:

Northwest District	Southwest District
Central District	East Central District
South Central District	Southeast District



Leadership Training for Local Unit Presidents, Treasurers, and Membership Chairs will be offered during the workshop sessions at the 2011 Convention.

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