RETIRED INDIANA PUBLIC EMPLOYEES ASSOCIATION

RIPEA COMMUNICATOR

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INDIANA GENERAL ASSEMBLY ADJOURNS MARCH 13
GOVERNOR CALLS THE SESSION "UNEVENTFUL"

This 2010 session was a "short," non-budget writing session, meaning fewer bills and issues were on the table. Legislators actually started the session with a leg up, as they began meeting to discuss bills as early as December 2009. Given the expedited nature of the short session, coupled with the fact that many legislators will find themselves in contentious election battles in May and/or November 2010, conventional wisdom suggested that legislators — Republicans and Democrats alike — would prefer to take care of business with little fanfare and as fast as possible. This appeared to be the case as both the House and Senate planned on adjourning a week ahead of schedule. However, that momentum stalled when negotiations over the state's ailing unemployment insurance fund and a fix to our troubled public school systems came to a halt. In the end, the Indiana General Assembly adjourned after midnight on Saturday, March 13th, one day before the statutory deadline for adjournment.

In what the Governor called maybe our "least eventful session of the [recent] six," issues such as property tax caps, the state's unemployment insurance fund, and public education were addressed. House Joint Resolution (HJR) 1 will place the proposed constitutional amendment to permanently cap property taxes for homeowners' property at 1%, rental and farm property at 2%, and business property at 3% on the November ballot. SEA 23 gives employers another year of cover from a $400 million increase in the taxable wage base and employer contribution rates and includes several job-creation tax credits. Facing a cut of $300 million for public schools, HEA 1367 gives school districts the flexibility to take up to 5% of the amount they tax each year for capital projects and use that money in the classroom.

Final results had 388 House bills and 420 Senate bills introduced at the beginning of session with 54 House bills and 61 Senate bills ultimately passing both chambers. No bills were vetoed.

RIPEA Bills — Passed

HEA 1205 was authored by Representative Niezgodski (D-South Bend) and sponsored by Senator Kenley (R-Noblesville). The introduced version included a 1% COLA and a 13th check to be paid to all retirees who retired by December 1, 2009. During the session, the PERF/TRF merger bill was amended into it. In the final outcome, the COLA was removed leaving a 13th check. The merger bill was scaled back so that boards are to jointly select a single manager that reports to both boards and to cooperate to effect cost savings to the funds. The final version was signed into law by Governor Daniels on March 24, 2010. The 13th check will be paid by October 1, 2010 and the amounts are based upon years of creditable service.

5 years but less than 10 years — disabled retirees	$125
10 years but less than 20 years	$235
20 years but less than 30 years	$325
At least 30 years	$400

With the fiscal problems of the state and federal governments, RIPEA is pleased the legislators passed and Governor signed the 13th check. Legislators recognize the importance of PERF and TRF retirees to our state.

RIPEA Bills — Dead

SB 420, authored by Senator Kruse reduced the number of years of creditable service to a member of PERF to obtain vested status. It received a hearing in Senate Pensions and Labor, RIPEA staff testified, but a vote was not taken because of the fiscal impact.

Douglas M. Kinser

MEET YOUR BOARD

This is the second in a series of “MEET YOUR BOARD” articles. This series will continue until all Board members have been profiled.

Thomas V. Barnes

T. Barnes, Gary, Indiana mayor for 8 years, joined the RIPEA Board of Directors in 1998 and has served as President since July 1, 2009. He is a retired Army Colonel and served as a Civilian Aide to the Secretary of the Army for 14 years. Prior to his election as Major, he was Assessor for Calumet Township. Attorney Barnes resides in Gary with his wife Frances and is an active member of Brothers’ Keeper, Inc., a homeless shelter for men. In addition to running Barnes Washer Repair Parts Service and Laundromat (in existence since 1946), he is a founding member of the Drexel Foundation for Educational Excellence, sponsor of the Thea Bowman Leadership Academy (charter elementary, junior and high school).

In regard to his work on the RIPEA Board, Tom says: “public employees are the essential foundation of our system of local, county and state government. As a RIPEA member, I value our role in protecting their interests as retirees and promoting their financial well-being as senior citizens.”

Harold E. Woodruff

Harold joined the RIPEA Board of Directors in 2000 and was elected President on July 1, 2004. He served in that capacity until June 30, 2006. Harold served the citizens of Frankfort, IN for 20 years as a law enforcement officer, eight years as police chief and also eight years as Mayor. Harold served eight years in the US Navy, graduated from the FBI Academy and during this tenure as Mayor was elected President of the Mayor’s Round Table.

In regard to his work as a RIPEA Board Member Harold says: “It is a pleasure to serve on the RIPEA Board. RIPEA plays a vital role in helping all PERF members. It provides protection for its members as well as working with legislators on improvements in our laws.”

MARRIETTE (MARTY) MONTGOMERY ELECTED TO THE BOARD OF DIRECTORS

The RIPEA Board of Directors, in their meeting on February 17, 2010, unanimously elected Marriette (Marty) Montgomery to the RIPEA Board.

Marty brings a depth of experience and knowledge to the Board as she was employed almost 44 years with the Public Employees Retirement Fund — PERF — retiring July 1, 2008. During her lengthy public service at PERF, Marty was known as a knowledgeable, effective and friendly retirement counselor.

Among her numerous awards for public service, Marty received the Public Service Achievement Award from Governor Bayh in 1994 and Governor O’Bannon in 1999. Marty is also a life member of the National Council of Negro Women.

We welcome Marty to the Board and appreciate her willingness to serve.

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3530 South Keystone Avenue, Suite 305
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H.B. Shepherd, Founder 1914-1979
317-789-0244 • 800-345-9214
William R. Murphy .... Executive Director

Important Telephone Numbers

Anthem Blue Cross/Blue Shield **1-866-649-2041**
RIPEA Group Health Plan

AMBA **1-800-258-7041**
Dental/Vision/Long Term Care/Cancer/
Whole Life/Medical Air Service Association

G.E.T.O. **1-877-867-3639**
Vacation Condos at Reduced Rates - www.getravelop.com

Genworth **1-866-582-2436**
Long Term Care

HearPo **1-888-432-7464**
Hearing Plan

MetLife **1-800-438-6388**
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P.E.R.F. **1-888-526-1687**
Retirement Checks & Benefits

RIPEA Office **1-800-345-9214**

Email us at *ripea@ripea.org* or visit our website: *www.ripea.org*.

The RIPEA office hours,
Monday through Friday, are: 8 a.m. to 4 p.m.

HEALTHCARE CHANGES

The effects of the recently passed healthcare legislation are still being analyzed, but preliminary readings highlight some changes that will be of interest to RIPEA members. We caution readers that this summary is preliminary and incomplete, as the specific regulatory language is yet to be written.

For Members on Medicare:
Part D prescription drug coverage will see substantial changes, beginning with a "refund" of up to $250 to anyone who goes into the Coverage Gap, or "Donut Hole", in 2010. The mechanism for the refund has not yet been announced. In 2011, Part D consumers in the "Donut Hole" will get a 50% discount on brand-name drugs and a 7% discount on generics. The discounts will grow each year so that by 2020, Part D consumers in the "Donut Hole" will pay 25%. Individuals earning over $85,000 and couples over $170,000 may pay more in drug plan premiums starting in 2011.

Advantage plans are paid a flat amount by Medicare each month for each policyholder, an average of 14% more than Medicare spends per person for people enrolled in original Medicare. The overpayments help lower premiums and co-insurance costs, and provide for extra benefits above and beyond original Medicare. The new law will nearly eliminate those overpayments, starting with 2011 payments frozen at 2010 levels, then phasing them out over several years, starting in 2012. Costs for consumers could increase and extras may be eliminated starting next year, as insurers won't receive the annual increases meant to cover the increases in inflation and the rising cost of medical expenses.

Effective January 1, 2013, employer-deductible subsidies under Medicare Part D will be eliminated, significantly increasing the cost of employer provided retirement health plans that include prescription coverage.

The law says that 18 months after enactment Medicare beneficiaries will have access to a comprehensive health risk assessment and a free personalized prevention plan.

For Members not yet on Medicare:
In 2014 there are multiple changes, including the individual mandate — stating that all adults cannot be declined coverage due to pre-existing conditions. Subsidies will be available for up to 400% of the poverty level, insurance exchanges will be established in every state, and much more.

The law creates an Early Retiree Reinsurance Program — effective within 90 days of enactment, the law creates a temporary reinsurance program for employers providing health insurance to retirees over age 55 who are not eligible for Medicare. This program would reimburse employers retrospectively 80% of claims between $15,000 - $90,000, indexed for inflation. It will end on January 1, 2014 and will be financed by a $5 billion appropriation.

The law creates a high-risk pool for people who cannot obtain individual health coverage due to pre-existing conditions, effective within 90 days of enactment. This national program can work with existing state high-risk pools, will end on January 1, 2014, and will be financed by a $5 billion appropriation.

The law creates a new, voluntary public long-term care insurance program, to be financed by voluntary payroll deductibles to provide benefits to adults who become functionally disabled, effective January 1, 2011. Benefits can begin five years after people start paying a fee for the coverage.

For All Members:
Starting in 2013, households with incomes above $200,000 ($250,000 for married couples), will have a new 3.8% tax applied to income from interest, dividends, capital gains and other investments.

Starting in 2014, billions of dollars in new taxes and fees will be levied on insurance companies, prescription drug companies and makers of medical devices. Much of the additional cost will be passed on to consumers.

And finally, effective July 1, 2010 a 10% tax on individuals receiving indoor tanning services kicks in.

Prepared for RIPEA by Sagamore Benefits Group, 317-818-9700.

FOUNDATION GRANTS

Thanks to the generosity of thousands of RIPEA members who donated to the RIPEA Foundation, the Foundation will again make financial grants to RIPEA members who have encountered financial hardship. The grants are limited by the money available. Grants must be for benefit of the member and no grants will be approved for a member who received a grant the previous year.

Grants will not be approved for the following (1) purchase or remodeling of a home, (2) purchase or repair of automobile, (3) payment of taxes, (4) college education. Grants have been approved in recent years for medical expenses, insurance premiums and disability access ramps. The maximum grant is normally $1,000 and the application is on page 4 of this newsletter. Grants will be awarded by August 31, 2010.

RETIRED INDIANA PUBLIC EMPLOYEES ASSOCIATION FOUNDATION

3530 South Keystone Avenue, Suite 305 • Indianapolis, IN 46227

2010 Individual Grant Application

Application must be received in our office by July 1, 2010.

Member's Name ______________________________

Address ______________________________

City/Town ______________________ State __________ Zip ______________

Telephone No. ______________________ Soc. Sec. No. ______________________

Name, Address and Telephone Number of Person completing this application if other than applicant:

____

Total Household Gross Monthly Income:

	Member	Spouse	Total
Social Security	$__________	$__________	$__________
PERF	$__________	$__________	$__________
Employment	$__________	$__________	$__________
Other	$__________	$__________	$__________

Amount of Grant Requested $______________________

Purpose for which Grant will be used (If additional space is needed for a complete explanation, please attach a separate sheet): ______________________________

If Grant is to assist with payment of an existing financial obligation, please include a copy of the bill or a list of expenses if submitting a credit card bill.

Will any part of this obligation be paid by insurance? _______ If yes, how much? ____________

Signature: ______________________________ Date: ____________

Print Name: ______________________________

For Office Use Only Verification of Membership by: __________ Amount Recommended: ____________

Reviewed by: ______________________ Date: ____________

NOTE: All lines of this application *must* be completed including income of member, spouse and total!!

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