

Important Telephone Numbers

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

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

HEAR in America
Hearing Plan
1-800-286-6149

INPRS/PERF
Retirement Checks & Benefits
1-844-464-6777

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Retired Indiana Public Employees Association

**Working for Your
Retirement Today**

November 2018



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A Message from the Executive Director

Welcome to the November issue of the *Communicator*.

Recently, a 58-year-old public employee asked us via Facebook why he should join RIPEA when he's still working and has insurance. Great question Keith!

Public funds across the country are under attack. RIPEA works tirelessly in the Indiana legislature to protect your future pension benefits. Through an experienced lobbyist, we have legislative representation that yields important benefits to all PERF retirees. Our lobbyist proposes legislation, obtains sponsors and testifies on behalf of RIPEA at Legislative Committee Meetings.

Current public employees who are nearing the age of retirement like Keith are critically important to this process. By joining their retired colleagues as RIPEA members, our legislative voice becomes much more powerful. There is tremendous strength in numbers. A louder voice gains more traction, and we can better protect the pension for which you have worked so hard. At just \$18 (\$15 for autorenewals/automatic deductions), it's an affordable investment in your future.

Sincerely,



Bill Murphy, Executive Director



Time to Have the Money Talk

You're probably already aware that if you are over age 70-½, you must take an annual required minimum distribution from your traditional IRA. For some, these taxable distributions can have consequences by your raising gross income and/or reducing the deductible amount of medical expenses. Further, some retirees who make charitable contributions may not have enough total itemized deductions to exceed the standard deduction, effectively resulting in no tax benefit from their charitable gift.

Some of these negative tax consequences can be lessened by making what's known as a Qualified Charitable Distribution (QCD), paid directly from your IRA to a qualified charity.

For example, if your required minimum distribution is \$10,000 and you'd like to make a charitable contribution of \$3,000, you could directly distribute \$3,000 from your IRA to the charity. That \$3,000 is not included in your taxable income (though nor can you get a charitable contribution deduction for it), while the remaining \$7,000 is still included in your taxable income. If you can't itemize your deductions (i.e. if the standard deduction is higher than the total of all your itemized deductions), you'd still have a \$3,000 reduction in your taxable income for both federal and state taxes.

Though some restrictions apply, for a retiree who has to take a mandatory distribution and who typically makes charitable contributions, this is an excellent way to reduce a tax bill. Ask your tax advisor how a QCD might be of benefit to you.

Random Facts... Social Security

- In 2018, roughly 63 million Americans will receive approximately one trillion dollars in Social Security benefits
- The average monthly benefit is \$1,413
- An estimated 175 million workers are covered under S.S.
- Nearly 9 of 10 individuals age 65 and older receive S.S. benefits
- In January 1937 Earnest Ackerman became the first person in the U.S. to receive a Social Security benefit—a lump sum of 17 cents
- Social Security recipients received a single, lump sum payment from 1937 until 1940

A Personal Appeal from a RIPEA Member

Dear fellow members,

In the mid 1990's, it was determined that more than 11,000 RIPEA members had pensions considerably below \$200 a month. The RIPEA Board of Directors decided at that time to create a Foundation that would be a valuable resource for those members who faced an unexpected financial crisis. Today, small grants are given each year to those who demonstrate the greatest need.

The RIPEA Foundation has been primarily funded through small contributions from our members. It has a cash balance of less than \$50,000 at any given time; the need of our members dwarfs the Foundation's resources. It was surprising to me to learn

that the Foundation hasn't received any gifts or bequests from any of our members upon death. Which is why I'm appealing to you today.

I recently amended my estate plan, committing to leave a gift to the RIPEA Foundation upon my death. I am certain many of you could do the same, and leave a gift of \$500 or more in your will or trust. Your fellow public employee worker would greatly benefit from this small bequeath.

Please join me and consider sharing some of your final assets with the Foundation.

Philip Conklin,
Indianapolis



Your Legislative Corner—The 2019 Agenda

RIPEA has adopted the following as its Legislative agenda for 2019:

- Increase funding amount for the supplemental retirement allowance accounts created by SB 373 in 2018
- Cost of Living Allowance (COLA)
- 13th Check – with an increase of \$50 (see chart at right)

Years of Service	2018	2019 Proposal
5-10 (Disability)	\$150	\$200
10-20	\$275	\$325
20-30	\$375	\$425
30	\$450	\$500