

Pension Basics...

money raised through special taxes and fees, bonds, or grants from the federal government.

What is a "COLA"?

A t-shirt you bought in 2000 for \$15 would cost you \$20.16 in 2012 because prices rise over time. The purpose of a COLA – "Cost-of-Living-Adjustment" – is to help adjust an employee's retirement benefits for the change in the value of money over time. A COLA is applied to a retiree's benefit payments each year. However, the COLA has been higher than the rise in prices in 12 of the past 20 years.

Why does Illinois have a pension crisis?

Illinois has had a pension crisis for seven decades! The problem is due to a number of factors – the state hasn't put enough into the pension system each year, the investments made with employee and employer contributions have made less money than expected due to the Great Recession, retirees are living longer, and a handful of employees have gamed the system.

What does the Great Recession have to do with the Illinois crisis?

The amount of money employees and employers contribute into the pension system is not enough by itself to pay for all future retirement benefits that are promised to employees. This pool of money must increase from earnings on investments to fully pay for all future retirement benefits. In fact, about 60 percent of the pension benefits paid to retirees comes from investment earnings. During the Great Re-

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cession of 2008-09, Illinois pension systems lost 30 percent of their assets due to investment losses. This means the State has to make up the losses by paying more money into the pension systems now and in the future, further squeezing out funding for vital State programs.

By the Numbers

- **759,895** (Number of Illinoisans who are members of the State's five pension systems.)
- **\$95 billion** (Illinois' current unfunded pension liability.)
- **40 percent** (Funding level of Illinois pension systems, compared to the national average of 75 percent.)
- **\$5.2 billion** (Illinois' 2012 pension payment, triple that of 2008.)
- **\$17.1 million** (Amount our long-term pension shortfall increases EACH DAY without pension reform.)
- **2016** (Estimated year in which Illinois will spend more on pensions than on schools.)
- **60 cents of each dollar** (Amount of pension benefits paid to retirees which comes from investment earnings.)
- **30 percent** (Loss suffered by Illinois pension systems' assets due to the Great Recession.)
- **44** (Number of states which have enacted long-term pension funding plans since 2009.)
- **\$10 billion** (Estimated amount of the 2025 Illinois Budget that will be consumed by pension payments.)

Local 434 Executive Council Members

President—Curt Caswell

Vice President—Norm Dahn

Past President—Carol Harms

President-Elect—Cyndi Oberle-Dahm

President of Aides—Mike Chase

President of Secretaries—Joy Mueller

Secretary—Tammie Hettenhausen

Treasurer—Brenda Kelley

Parliamentarian—Mary Barteau

East Building Rep—Brad Schmidt

West Building Rep—Brett Patterson

Calendar—Lee Meyer

Constitution—Kristin Demond

District Budget & Finance—Matt Casper-Bassler

Grievance—Jeff Boyles

Health and Safety—Taree McGee and Cindy Thompson

Insurance—Rich Hodson

Legislative/COPE—Pat Watkins

Membership—Cindy Thompson

Nominating and Elections—Jen Stenger

Public Relations—Lucas Spriggs

Professional Issues—Mike Anderson and Lisa Quandt

Technology (ad hoc)—Christina Roedl

SWAC—Paul Fraser

SWCLC—Paul Fraser



BELLEVILLE HIGH SCHOOL FEDERATION OF TEACHERS

ISSUE

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Message from the President

by Curt Caswell

As Union President, this is my swan song – STOP CELEBRATING!!! Cyndi will take over as President once school starts in the Fall.

In a recent email, I told you that I had already written this and submitted it for publication. At that time – not long ago, I had written that things had recently slowed down in Springfield. THAT COULDN'T BE MORE WRONG AT THIS POINT!!! We have fought the battle for fair consideration on a virtually constant basis the past couple of years; when bad proposals have gained some traction, we have knocked them back down. I THANK YOU FOR YOUR SOLIDARITY AND DILIGENCE! The recent House amendments to Senate Bill 1 are perhaps the most horrific example of this that we have ever seen; continued vigilance is necessary. Whatever happens in the next week or two, my fear/suspicion is that hostile politicians will try to sneak legislation by us once we go our separate ways for the Summer. We will attempt to be in contact with you as needed.

We are negotiating our next contract. We are not real far along in that process, but we will, as time goes on, try to make you aware of those developments also. This process inherently goes into the Summer, but, this year in particular, "money" decisions will be made relatively late because both sides want to give the State of Illinois as much time as possible to get its act together. There are, of course, issues other than money, but that is a defining factor in these negotiations.

Please make note of the Local 434 election information. We would love to get more of you involved, either as elected officers or as Executive Council (EC) members; the EC is established once school begins in the Fall. Cyndi was elected to the office of President-Elect two years ago. This process gives us a smooth mentorship/transition period. Some of you know that I am ready for a professional/personal break. I am not going to completely abandon the work of our Union, but I must taper it off. There are constant and/or lingering concerns on which I have some expertise, so I will try to contribute in a measured way on those things. I say that to encourage you

to do your part. I know that it is not easy to make the commitment of time and energy, but it is critical. This Union has accomplished great things prior to my Presidency; I hope it has achieved some significant outcomes these past two years, and I'm sure our union is headed for a bright future. None of that comes without a tremendous amount of effort. The dynamics of our profession are quite different, in many ways, than they were in years past. We succeed only through diligence and solidarity. I have enjoyed the victories and celebrations that we

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Search for Local 434 or go to <https://www.facebook.com/pages/Local-434/237998906334382>



Reductions in Force (RIF's) and Your Rights

By Rich Hodson

The recent round of RIFs in District 201 brought home to many teachers not only the seriousness of Illinois' financial woes, but also the significance of the new PERA (Performance Evaluation Reform Act) legislation. Many members of our Union found themselves asking a question they had never even considered raising before: "Is my job secure?"

As teachers began pondering the answer to that question, many realized that an understanding of "bumping rights" was pivotal to making a determination of just how safe they were. So, are bumping rights still available to teachers under the new RIF laws?

Here are your District 201 Teacher's Union Contract bumping rights explained:

If you find your teaching position eliminated by RIFing (Reduction In Force) or from other budgetary or reorganizational reasons, you have the explicit right to bump another teacher on either campus from a position in which you are certified to teach if these 4 criteria are met:

- * You are certified to teach in the area in which bumping

would occur

- * You have more District 201 seniority than the teacher to be bumped.
- * You have a higher or equal overall rating in the new evaluation system than the teacher to be bumped
- * And in cases of teachers with a Group 2 or 1 overall rating, a more complicated scenario may exist.

It is possible that should bumping occur, there would be a ripple effect in which more than two people could be affected.

For more info., refer to pages 40-51 of the ISBE document at link http://www.isbe.net/PERA/pdf/pera_guidance.pdf

The following sections from the current contract address specific issues related to RIF situations:

Article XI (pg 48 of 2011-2013 contract) Section 11.7 District-Wide Seniority

Seniority shall be on a District-wide

basis in areas in which one is qualified to teach (certification and/or State Board of Education qualifications).

Article XI (pg 48 of 2011-2013 contract) Section 11.8 Layoffs

When lay-offs are required, they shall be made in reverse priority order commencing with the least-senior person qualified to teach.

Article XI (pg 48 of 2011-2013 contract) Section 11.9 Callbacks

Callbacks shall be made in priority order commencing with the most-senior person qualified to teach when the vacancy is filled. Also see pg 51 in PERA doc referenced earlier about more on callbacks.

Article XI (pg 48 of 2011-2013 contract) Section 11.10 Qualifications

Within the time limits of Illinois statutes regarding tenure, persons who are laid off may retrain in another area of teaching and shall be considered when a vacancy occurs. In no case shall the District lay off individuals to make a teaching position for those who have retrained while on lay-off.

Message from the President

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have had; conversely, I regret the times that I have had to tell you, individually or collectively, things that you did not want to hear and that I did not want to say. Alas, that is the nature of this beast, and it brings us to where we are. For your part as members, continue to be supportive of your Union leadership and unified on our common issues. I don't make this comment to elicit your sympathy, but the leadership jobs in the Union are not always easy! It is not the people, however, who endure; it is the institution. It is our profession and our

Union that transcend our careers and lives. With that in mind, step up and do your part when it's your time (perhaps now) and support those who are in the trenches moving

"The dynamics of our profession are quite different, in many ways, than they were in years past. We succeed only through diligence and solidarity."

us forward. I can't say enough how much I appreciate all of you who have supported me as members and fellow officers/leaders!

Finally, our end-of-year party is Friday, May 17th at Silver Creek Saloon; it would be great to see you there to celebrate and close another year. In any event, my fervent hope remains that you and your loved ones would enjoy a rewarding and relaxing Summer!!!

PROBLEMS OR QUESTIONS ABOUT YOUR INSURANCE?

Go to <https://egyptiantrusthealth.com/> or call (855)452-9997

Recently, one of our members was prescribed a generic drug that didn't work; with her doctor's approval, she decided to switch back to the name brand, but when her pharmacy wouldn't cooperate by allowing her to switch back to the name brand prescription at the cost of the generic, as per our insurance agreement, she promptly contacted a Care Coordinator at the Egyptian Trust Coordinated Health Care service center. As a result, she was able to get the prescription and billing issue resolved very quickly.

Pension Basics and the Looming Crisis

by Rich Hodson

What is a pension?

A pension is a payment made by an employer to an employee upon retirement. These benefits are determined by the employees' years of employment, age and salary in the years prior to retirement. Pensions date back to Ancient Rome, but became popular in the United States about 100 years ago. The first Illinois public pension system was created in 1939.

What is an Illinois public pension?

Public sector workers who are teachers, state university employees, judges, Illinois state government employees, and members of the General Assembly are eligible to receive a pension from the State of Illinois. Nearly 750,000 current or retired public sector workers are members of one of

the five pension systems.

How are these pension systems funded?

Employees and employers contribute money for the employees' retirement, and the pension systems invest the money until the employee retires.

How does the state budget work and how do pensions fit into it?

The General Revenue Fund (GRF) is the money in our state budget that can be budgeted for any purpose and we use it to pay for many of the state's programs, agencies, and branches of government. This is where we fund many of our programs for schools, job training, seniors, disease prevention, and public safety. These funds are raised through taxes and fees such as income taxes and



sales taxes and makes up about 49% of Illinois' total budget, or roughly \$29.95 billion. The 2013 Illinois pension payment takes up 15% of the general revenue fund – or 15% of the money we have to spend on some of our most important priorities. The rest of the budget is made up of funds that pay for a specific purpose or program and is paid for with

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SPRING PARTY!

Mark your calendars! Our Teacher's Union, Local 434, will host our Annual End of the Year Party at Silver Creek Saloon on **Friday, May 17, 2013, at 4:00 p.m.** Food will be served 4:00 – 7:00 p.m.! Food and drinks will be provided for each member and a guest during that time frame. Another highlight of the night will be Joe Dirt and the Dirty Boys Band beginning at 7:00 p.m. This is an event you do not want to miss! ~ Norman Dahm

