



2018 Annual Meeting Delivers!

With members from around the state converging on Macon October 15-16, this election year GSRA Annual Meeting provided them the opportunity to hear from most of the candidates (or their representatives) for Governor and Lt. Governor in order to hear their visions and goals for the State of Georgia and her citizens. In addition, members also had time to attend interesting sessions, meet with vendors of interest to retirees and visit with old friends and colleagues.

The Georgia Youth Challenge Academy kicked off the Annual Meeting by leading the membership in a Presentation of Colors-Color Guard and a rendition of the Star Spangled Banner. The Monday session began with Commissioner Frank Berry of the Department of Community Health and Jeffrey Rickman, Chief of the State Health Benefit Plan giving good news that for the most part, member benefits and premiums would be the same in 2019 as 2018. Following the update on the SHBP, Jim Potvin, Executive Director of the Employees Retirement System

provided an update on the ERS retirement fund, investments in FY 2018, and general facts about the ERS funds and funding. Yvonne Turner, Deputy Director of the Governor's Office of Planning and Budget, gave a very informative presentation on the revenue and spending process of the State.

Attendees separated into several workshops Monday afternoon to learn about Local Chapter Officer duties, the benefits of GSRA membership through AMBA, "Owning Your Illness", and Financial IQ and retirement risks. Ms. Sara Riggs Amico, Democratic candidate for Lt. Governor, addressed the membership about her goals for the State of Georgia government. Republican candidate for Lt. Governor Geoff Duncan was invited to address the Annual Meeting, but declined. The first day ended with a welcome reception and music provided by the Mercer Jazz Band. Tuesday morning began with four concurrent workshops: Agency on Aging, Estate Planning and Elder Law, Finding

Time for Fitness, and Financial Planning. Highlighting Tuesday were the candidates or their representatives for the gubernatorial election. Libertarian Ted Metz, who appeared in person, spoke about his views on State Government and took questions from the audience. Democrat Stacey Abrams recorded a video expressly for GSRA members, addressing our concerns about our health care and pensions. Republican Brian Kemp sent his campaign representative, Martha Zoller, who also addressed the pension fund and health care, and took questions from the audience.



Candidate for Lt. Governor, Democrat Sarah Riggs Amico addresses the Annual Meeting

The response from the three candidates, as well as from the representatives of DCH, ERS and OPB, clearly indicated that GSRA is now recognized as an important and influential association. GSRA's continuing advocacy at the Legislature and continued work with the Administrative agencies, has clearly had a positive impact over the past several years.



Happy GSRA member shows off his door prize

After the candidates finished their presentations, GSRA convened the Business Meeting portion of the program. Members heard the usual business reports, but also voted for 2019 officers and board members, voted on an amendment to the bylaws and received a briefing from incoming GSRA President Jim Sommerville regarding future goals and initiatives. Once the business meeting adjourned, it was on to the important task of drawings for the substantial door prizes provided by the local chapters.

The 2018 GSRA Annual Meeting was a great success, with positive comments heard from many of the 260 members who attended. Some members returned home from Macon with one or more of the fine door prizes they won. All members returned home with a wealth of information regarding their health care and pensions and other areas of interest, and armed with information direct from the candidates or their representatives which will make it easier for them to vote for the candidate of their choice in the upcoming Governor's and Lt Governor's races.

Summaries of Key Presenters

The 2018 Annual Meeting had many interesting and compelling presenters. Following are summaries of the information they provided.

DCH Commissioner Frank Berry & Jeff Rickman, Chief of the SHBP

Commissioner Berry commented that he too – just like the members of GSRA – is a career state employee and that

DCH has an awesome responsibility for handling \$14.5 billion in health care costs for state of Georgia citizens' including 680,000 lives in the State Health Benefit Plan. For retirees over age 65, DCH has chosen two partners—Anthem and UHC—for providing health insurance. He states that the department tries to obtain the best rates for SHBP members through a RFP similar process. There is no conspiracy in determining the best partners although this year the department was presented a few difficulties in setting Medicare Advantage premium rates. Commissioner Berry stated, however, that at the close of FY 2018, the SHBP was healthy with the goal to providing as many services as possible while keeping costs in check. We are always looking for ways to add services that are within our cost parameters.

As Chief of the SHBP, Jeff Rickman talked about the 2019 Retiree Option Change Period and SHBP benefits. Highlights of his comments are:

- The ROCP period begins on October 15, 2018 and closes at 11:59 p.m. on November 2, 2018.
- Members were encouraged to review the Decision Guides that have been mailed to each retiree and if making a change in the option he/she should make the change prior to November 2, 2018.
- Making an option change is easy, simply go to www.mySHBPga.adp.com (or by phone 800-620-1863), change your password (unless changed within the last 45 days), and make a new selection or just check out the selection that is on record for you with SHBP.
- Changing to a Medicare Advantage (MA) plan when turning age 65 is also easy. The SHBP sends 2 letters (about 4 months and 2 months before reaching age 65) to notify the retiree (or active employee) of the process. The best premium rates for your health coverage is by enrolling in Medicare Part B and then notifying the SHBP of your Part B enrollment. Notification to the SHBP should occur at least one month before the month that you turn age 65.

- No benefit changes have been made in the Medicare Advantage plans for 2019. In addition, the two vendors--Anthem and UHC—provide the same level of benefits.
- The premiums for UHC MA are the same in CY 2019 as they are in CY 2018. Premiums for Anthem MA plans have been reduced for the “Standard” option to “zero”, but slightly increased for the “Premium” option.
- In setting the rates, SHBP asks for premium rates from the vendors. SHBP uses the low cost rate for determining each rate and the state's subsidy amount for member premiums for each option.
- Each MA vendor provides programs to help you stay healthy. Both vendors provide “House Calls” to help support and complement the regular doctor's care; Silver Sneakers is available by Anthem and UHC; plus other benefits that are explained in the Decision Guides.
- Benefits and premiums for retirees under age 65 remain at the 2018 levels, in addition to no changes in vendors.

Both Commissioner Berry and Mr. Rickman are appreciated for their openness and willingness to assist GSRA members. Both answered members' questions following their presentations.

Executive Director Jim Potvin, Employees Retirement System

The ERS Executive Director Jim Potvin has historically been a valuable speaker at various meetings of GSRA, and supporter of ERS retirees in general. This year was no different. Director Potvin began his presentation by stating that he has worked with the ERS system since 2011 or 7 years, and that his primary responsibility is to make sure that the retirement trusts are adequately funded. Director Potvin gave many facts about the ERS plans, funding, and future implications. A few of the points are enumerated below:

- Funding ratio changes for the ERS trust fund are slow. The ratio did not change between June 30, 2016 and June 30, 2017 and remained at 74.7%.

- The Investment rate of return for FY 2018 was 9.2% with the 20-year rate of return just under 8%. The target rate of return for FY 2018 was 7.4%.
- State agency contribution amounts (rates) are set by ERS actuarial reports. The rates have greatly increased since 2009 when they produced about \$275 billion and now generate over \$600 billion each year. The contribution rates have been steady for four years and are expected to be the same for the next 2—that is for FY 2019 and FY 2020.
- Market value of assets for all ERS administered funds at the end of FY 2018 was \$16.5 billion, up from \$15.9 billion the prior year. The market value of the ERS fund is \$13.5 billion, up from \$13.0 billion the prior year.
- The payout each year is about 10% of assets -- \$1.4 billion in FY 2018.
- There were 51,000 beneficiaries in FY 2018 which is up about 3% per year. The average benefit is about \$2,245 per month or around \$27,000 per year.
- The demographics of the retiree population is changing with people not staying in state service for the historical 34 years of service.
- From a legislative standpoint, we expect a relatively quiet 2019; however, the ERS would like for the legislature to pass a law to provide a way to amortize an individual's 401(k) plan assets to an annuity so that the member could receive a life-long payment.
- The ERS is evaluating risks from litigation and cyber security with the goal to make the systems secure. Director Potvin stated that we are preparing for another financial downturn as a security measure. Many of the decisions made since 2009 when the GSEPS (Georgia State Employees' Pension and Savings) plan was implemented, have been ways of handling risks. In 2001-2002, the trust fund was at 101% funded ratio---various decisions and the "dot-com" market decline resulted in the funded ratio dropping to 89.4% by 2008.
- The result of these risk evaluations is that no COLAs have yet been approved. In modeling a prefunded 1% COLA, the cost is \$1.25 billion. There are other alternatives for using \$1.25 billion

additional funding than for prefunding the 1% COLA--for instance to pay down liabilities—and if "extra" funds were ever to become available, serious conversations would need to take place about the best use of those funds.

Director Potvin ended his presentation with the statement that his priority is to zealously guard against any threat to the retirement trust fund. Potvin remained with the GSRA attendees to respond to questions and/or comments.

Lieutenant Gubernatorial and Gubernatorial Candidates

Sarah Riggs Amico, Democrat Candidate for Lieutenant Governor

Candidate Sarah Riggs Amico dynamically talked about her background and her goals for Georgia. Ms. Amico is a proud business owner and Executive Chairperson of Jack Cooper, a company involved in shipping by truck, shuttling, and by rail. She has helped build this company over the years to 3,500 employees. Serving these employees has led her to the motto to "fight for Georgia's working families."

She expressed her platform as Georgia providing Better Healthcare, Strong Education, Government Reform, and Better Jobs for the population.

Ms. Riggs Amico expressed sympathy for retirees saying that she believed that promises made should be promises kept. Additional information is available at <https://sarahforgeorgia.com/>.

Ted Metz, Libertarian Candidate for Governor

Candidate Ted Metz believes his passion in preserving and promoting liberty in Georgia establishes him as the most qualified candidate for governor. His proposals are to improve the economy by deregulating businesses, promoting the hemp industry, lowering tax rates and reforming the foundation of the workforce by amending the education system. Additional information is available at <https://tedmetz.com/>

Stacy Abrams, Democratic Candidate for Governor

Candidate Stacy Abrams was presented via a video. She expressed concern about health care access and fully supports the State Health Benefit Plan and other health care

needs for Georgia citizens, including Georgia retirees. She said, "... the best way to attract to dedicated public servants to our state government is to show them they will be taken care of after their years of service..." and "...that the Georgia State Retirees Association has an ally in ..." her.

Additional information about issues and her positions can be found at <https://staceyabrams.com/>.

Brian Kemp, Republican Candidate for Governor (Represented by Martha Zoller)

Candidate Kemp's Representative, Martha Zoller, stated that the Georgia Employees Retirement System is very important to Candidate Kemp. In addition, Candidate Kemp is concerned about the cost of health care. Ms. Zoller enumerated the following issues of concern to the Candidate:

- Reduction of regulations
- Increasing small businesses
- Mental health
- How to stop interfering in elections
- Transportation

Ms. Zoller said that Secretary Kemp is aware of, understands, and is sympathetic to conditions faced by ERS retirees from not receiving COLAs over a lengthy period. While Secretary Kemp will not guarantee a fix, he promises to meet with GSRA officers to see what might be accomplished. Additional information can be found at <https://kempforgovernor.com/>.

Business Meeting Briefing

GSRA had several important items to address during the business meeting portion of the 2018 Annual Meeting, including status reports to the membership regarding financials, electing a new slate of officers and board members for 2019, amending the bylaws to allow for absentee voting by members, results of the GSRA financial audit and others. The membership heard from several GSRA officers and board members about these important areas.

Current GSRA President Steve Herndon provided his report on GSRA's accomplishments and progress towards goals. He cited GSRA's continued efforts and progress around advocating with the various state stakeholders for a restoration of COLAs for ERS retirees and GSRA's successful partnerships with other retiree advocacy groups around this and other areas of common interest, including surprise medical billing and SHBP issues around premium costs and coverage. He also spoke to GSRA's renewed emphasis on growing membership in 2018, with the "buy one, get one" deal which allows new members to join for \$20.00 and get the second year free, as well as GSRA's presence at all ERS/WRAP sessions for upcoming retirees. Steve also presented the results of the financial audit that

GSRA commissioned for 2018 which confirmed effective funds management and no accountability issues, and thanked members Larry Ricks and David Allen for donating their experience/time to the audit services.

Past GSRA Secretary Connie Smith presented the minutes from the 2017 Annual Meeting, which were accepted. GSRA Treasurer Harold Grindle then provided the Treasurer's report, which was also accepted.

Membership Chair Kip Mann presented the amendment to the bylaws which allows for membership to vote remotely, as well as by voice at the Annual Meeting. The amendment passed and will be implemented beginning in 2019.

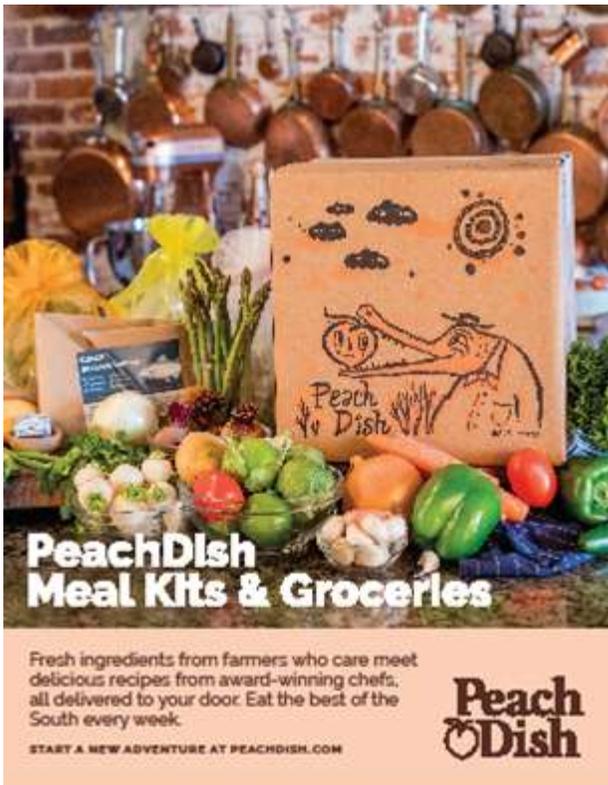
The slate of officers and board members was presented to the membership and voted on. The new officers/board members for 2019 are: Jim Sommerville, President; Beverly Littlefield, Secretary; Harold Grindle, Treasurer; Sam Shepherd, At-Large Board Member; Joy Evans, At-Large Board Member; Sadie Rogers, At-Large Board Member; David Taylor, Local Chapter President representing North region; Allan Hill, Local Chapter President representing East region; Lynell Hayes, Local Chapter President

representing South region; Bob Pollock, Local Chapter President representing West region.



Incoming 2019 GSRA President Jim Sommerville and outgoing 2018 GSRA President Steve Herndon

Finally, incoming 2019 GSRA President Jim Sommerville provided a presentation of GSRA’s future goals and initiatives, including continuing to emphasize increasing membership, support for surprise medical billing legislation, work to strengthen the DCH Advisory Board’s input on matters relating to health insurance issues, and work to secure an across the board COLA for all retirees. In support of the COLA goal, GSRA has developed a funding proposal for a 3% across the board COLA for all retirees and has already held meetings with state stakeholders about it. More meetings will occur after the election as GSRA works hard to get the COLA funded in next year’s budget.



thank you!

GSRA would like to thank the following for all their efforts in making the 2018 Annual Meeting a big success:

Allan Hill

Donna Buffum

Kip Mann

And everyone else who lent a hand or helped in any way!

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APCU partners with Members Wealth Management, a financial services program, to help our members with financial planning, investments, insurance, as well as retirement and estate planning strategies.

APCU has invited Shawn Roman, a Managing Associate with Members Wealth Management, to offer a great workshop, "Money Talk 101," at GSRA. This seminar is designed to facilitate conversations around financial milestones for retirees.

Topics will include:

- ★ The importance of setting financial goals
- ★ Understanding your current financial position
- ★ Preparing for a successful retirement
- ★ Income tax considerations
- ★ What your loved ones need to know

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