

Season's greetings and best wishes for 2014 from your GSRA Officers, Board and Committees!

President Vickers' Message to Members

I am honored that you have once again chosen me as President of Your Association. I am asking that each of you help GSRA and me during the coming year. Ask yourselves "what can you do for your association?"

Over the last four years, since my first term as President, I have watched the Georgia State Retirees Association grow and improve its effectiveness much faster than I ever imagined. This is in large part due to excellent leadership from the officers and with significant support from the Board and our members over the last four years.

As we move into 2014, I am committed to insuring that GSRA continues its primary mission of keeping the members informed of changes to our State Health Benefit Plan and to the various retirement systems, particularly detrimental changes. The Board has the expertise to monitor the health insurance program and the retirement systems and the capability to deliver our assessments to our members. You have the ability to make our efforts more effective.

As your president I am asking for your help to make GSRA more effective. To accomplish this we absolutely have to recruit more members. While six thousand members is an impressive number for a seven year old organization; it is not enough to make us an organization that commands the recognition and respect needed to garner our legislators' attention.

GSRA is open to active and retired state employees, educators and university system employees and their spouses. I know that each of you have friends or acquaintances that are eligible for membership but for whatever reason are not aware of our existence or have elected not to join our organization. Such individuals can be retirees or active employees or educators who are

considering retirement. Even active employees or educators not close to retiring should be interested in the information we supply about their health insurance.

My challenge to each current member is to recruit at least two new members in 2014. This would swell our membership to over eighteen thousand and make us a more formidable organization. All I am asking of you is your time to make a few phone calls to recruit these new members.

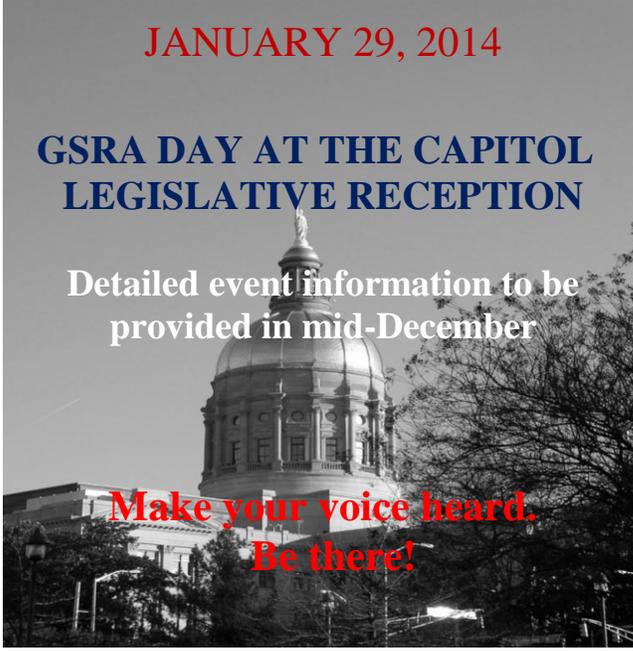
What do you and these new members get for their efforts? The chance to meet some old friends and associates at the local chapter meetings and knowing that maybe you helped make your insurance plan better and helped protect your retirement system.

JANUARY 29, 2014

**GSRA DAY AT THE CAPITOL
LEGISLATIVE RECEPTION**

Detailed event information to be
provided in mid-December

**Make your voice heard.
Be there!**



Teachers Retirement System Audit & Actuarial Reports (Comparative Information – ERS)

Upon request, the Teachers Retirement System provided copies of the FY 2013 independent audit report and the June 30, 2012 actuarial report for TRS. GSRA monitors various Employees Retirement System financial and actuarial reports and has reproduced major indicators that affect the ERS funding. The same types of factors have been developed from the TRS financial and actuarial reports along with comparative information with ERS.

The TRS and ERS have many similarities. Each system has a board comprised of a few of the same representatives, such as the State Auditor, and several appointed or elected members. The two retirement systems share investment staff and have similar (but not the same) investment policies. In addition, the TRS retirement benefit structure is similar but different with the “new” plan of ERS.

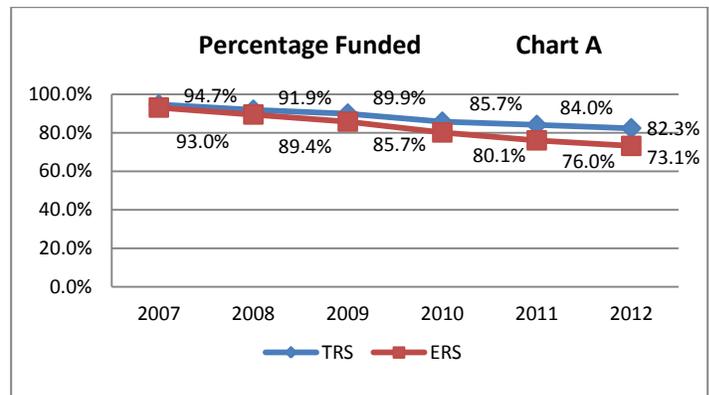
Eligibility for membership in TRS includes teachers in the local public schools, employees of the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and certain other designated employees in education-related work. Eligibility for membership in the ERS is employees of the executive agencies of state government and specified authorities.

Funding levels and unfunded liabilities for public pension systems have been under attack by various financial specialists and political entities over the last several years. Pension plans’ investment income is the “largest” component for funding future liabilities. Since 2000, however, there have been multiple years when investment income was negative and major investment income losses occurred in 2008-2009. Such losses are a major reason for the decline in funded percentages in both TRS and ERS. However, both the TRS and ERS have funding levels that fall within the better funded range of public pension plans nationally. Experts generally state that a funded percentage around 80% is considered acceptable.

Maintaining an appropriate funding level is a multifaceted process that takes into consideration many factors, including contribution revenue, investment income, and retirement rates. The actuarial reports for TRS and ERS state that 100% of the Annual Required Contributions (ARC) was paid by the respective employers. Other

assumptions that the TRS and ERS actuaries use for determining liabilities can be found in the respective actuarial reports.

Chart A shows that the TRS continues to have a higher funded percentage for its liabilities than the ERS.



The TRS and ERS rate of investment return and the diversity of investments are generally similar, although each system’s Board sets investment policy. Chart B shows the investment return rates for FY 2012 and FY 2013 and the 5-year return rates for these years.

		Investment Rate of Return		Chart B	
		FY 2013		FY 2012	
		TRS	ERS	TRS	ERS
Equities		19.4%	19.4%	-0.6%	-0.2%
Fixed		-0.6%	-0.6%	7.9%	7.9%
Total		13.3%	13.3%	2.2%	2.2%
5-Year Return					
Equities		5.4%	5.5%	-0.6%	-0.5%
Fixed		5.3%	5.3%	7.4%	7.4%
Total		6.3%	6.3%	2.9%	2.9%

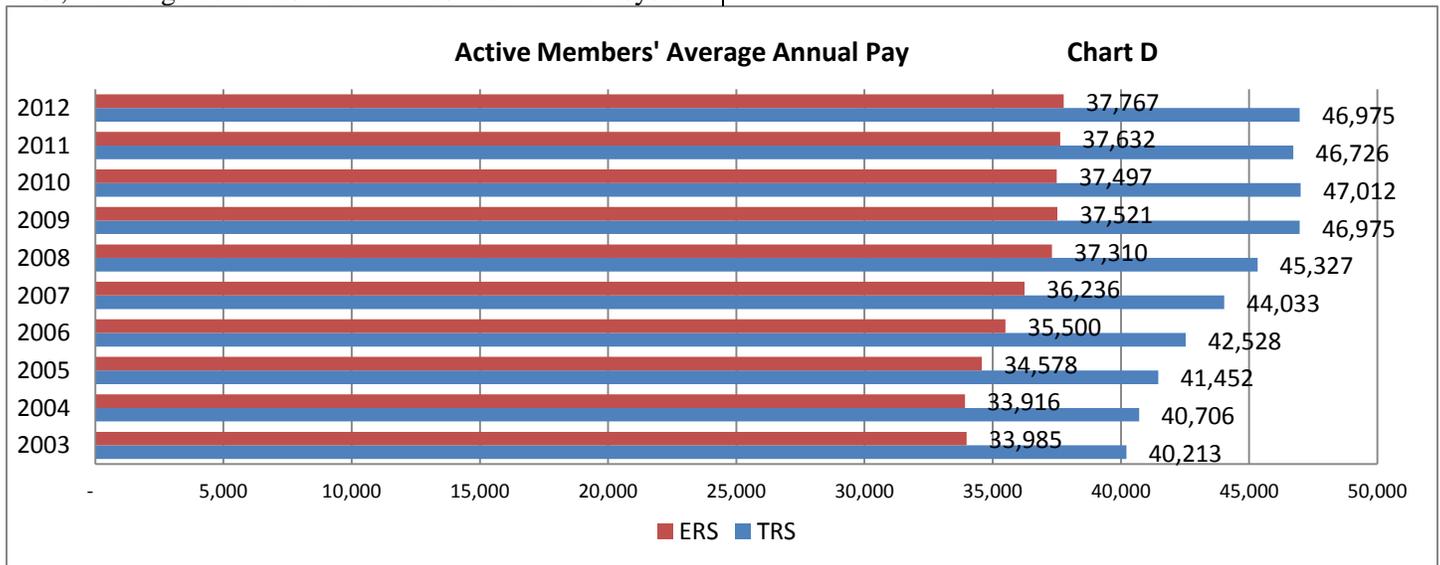
Chart C shows the percentage of investments in the broad categories of securities for FY 2012 and FY 2013. The overall percentages for TRS and ERS are very similar and in compliance with the percentage allowed for the various types of securities.

Investment Portfolio		Chart C		
	2013		2012	
	TRS	ERS	TRS	ERS
Equities				
Domestic	55.9%	55.6%	54.1%	53.9%
Intern	17.6%	17.5%	16.9%	16.8%
Domestic Obligations				
US Treas	14.3%	14.4%	16.8%	16.9%
Bonds	11.0%	11.3%	10.5%	10.6%
International Obligations				
Govts	0.6%	0.6%	1.1%	1.1%
Corps	0.6%	0.6%	0.6%	0.6%

One might ask, “If the members have contributed their share, the General Assembly has funded 100% of the Annual Required Contribution (ARC) each year for each trust fund and the investment return rates are basically the same, why would the funded percentage be different?” First, management—as fiduciaries—of each system

received a satisfactory audit report by an independent Certified Public Accounting firm for FY 2013 (as well as years past) and is not a reason for the declining funded percentage. However, a look at other facts, such as active member salary increases, reductions in active members, increasing number of retirees and the ratio of active to retiree members, partially explain the difference in funded liability.

The active members’ average annual salary for each year is reflected in Chart D. Over the last ten years, the average pay for active **TRS members has increased by 16.82% and the average pay for active ERS members has increased by 11.13%**. Factors, such as more senior (higher paid) members retiring, the replacement member having a lower salary and almost non-existent increases since FY 2009, explain why the average salary increase is around 1% to 1.6% each year. Because salaries have been fairly static, contribution rates have been increased to offset the funds that would have otherwise been contributed based on historically increased salaries.



Substantial budget cuts since the 2008 recession have had major impacts on all employers. Most of these cuts have been absorbed by reducing the number of educators and employees. Chart E shows how the number of active members in TRS and ERS has changed. Over the ten-year period (2003-2012), TRS active members have increased

by 3.99% although there has been a reduction of approximately 10,000 members since the high of 224,993 in 2008. On the other-hand, ERS members have decreased by 12.71% over the same period. The reductions reflect turnover to some extent, but it primarily reflects retirements and decisions not to refill positions.

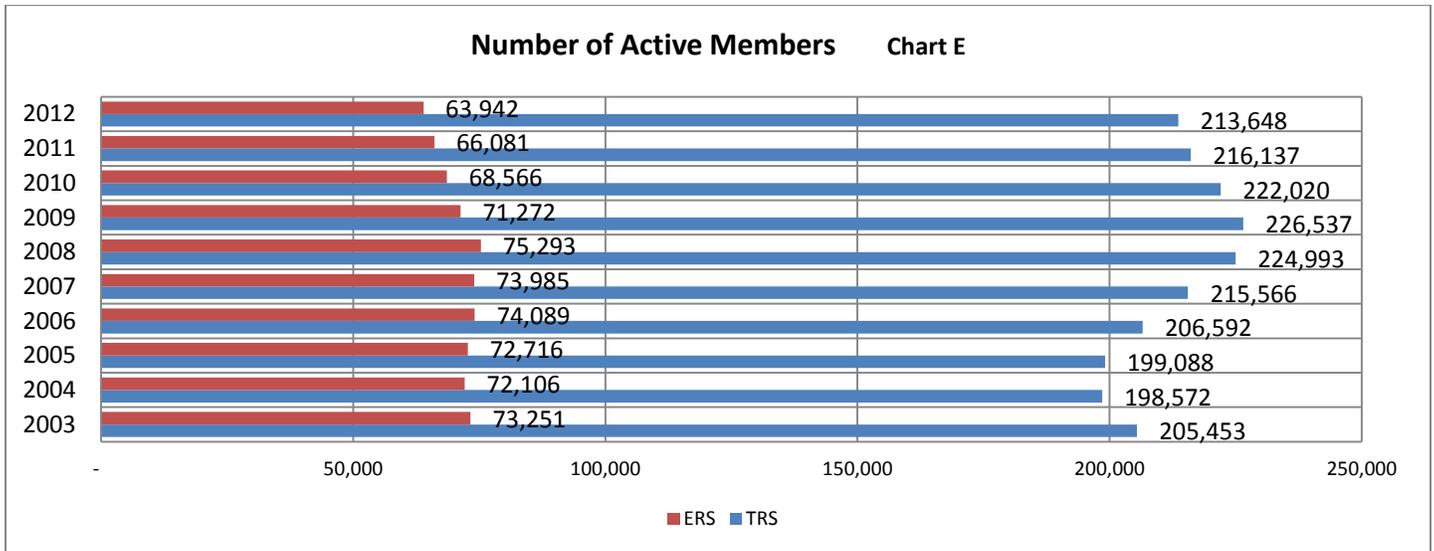


Chart F shows the growth in the number of retirees for each system for the last ten years. The aggregate percentage growth in retirees is a higher for TRS—at 68.7% than for ERS—at 46.5%. The retiree growth reflects a maturing workforce and the desire by the various employers to reduce costs.

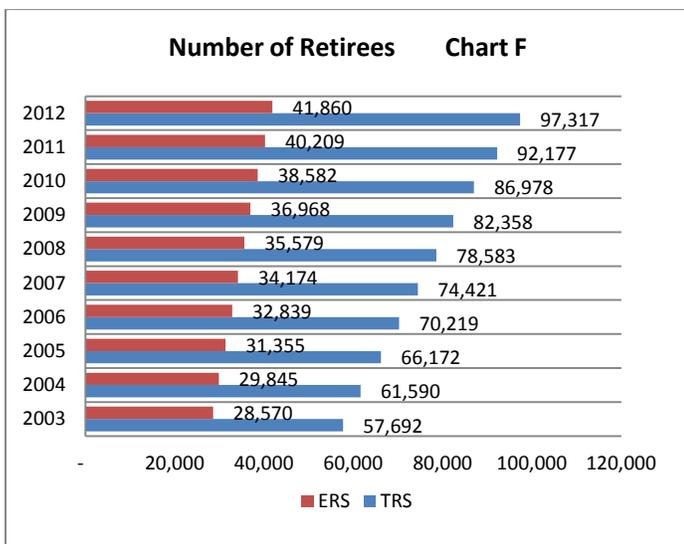
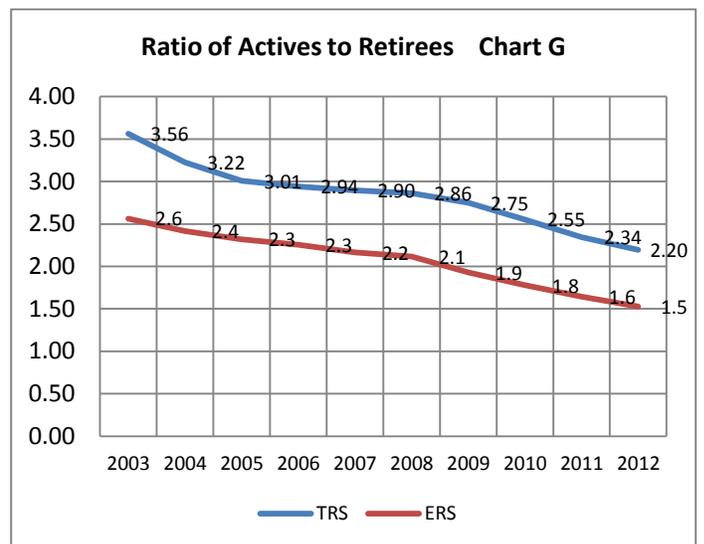


Chart G shows the number of active to retired members. At the end of FY 2012 there were 2.34 educators working for every retiree in the TRS, and there were 1.6 state employees working for every retiree in the ERS. These ratios dropped again in FY 2013 to 2.06 in the TRS and to 1.38 in the ERS.



Based upon continuing pressure from political leaders, and requests for “bankruptcy” by some of the major US cities, the issue of unfunded liabilities for retirees will remain under attack. In addition, the Government Accounting Standards Board (GASB) will require modifications to reporting in the near future, which will in all probability report a lower funded percentage. The comparisons in this article support reasons for the difference between TRS and ERS funded percentage and reasons for the decline in funded percentage in both TRS and ERS. However, as stated earlier, investment income for pension plans is the “largest” component to fund future liabilities. Since 2000, there have been multiple years when investment income was negative and these losses are

a major reason for the decline in funded percentages in both TRS and ERS. Because of the declines in funded percentages, both systems are requesting an increase in the

employers' contribution rates for FY 2015. All GSRA members are encouraged to remain alert to the issues and funding requirements.

Fourth Annual GSRA Day Coming Up!

GSRA Day at the Capitol and Legislative Reception is coming up January 29th, and, to mark the fourth year of this important event, GSRA is banking on a big turnout by members. Arguably the best opportunity GSRA members have each year to make their presence known and their voices heard to members of the State Legislature and state leadership, members should definitely mark this event on their calendars and make plans to attend. A couple of hundred GSRA members spreading out across Capitol Hill are guaranteed to be noticed!

As with past year's events, the day will start with members converging on the State Capitol mid morning to help with assembling and sorting the bags of GSRA information and marketing items to be provided to every state legislator. Also during this time, members will be provided a short orientation to help prepare them to interact with legislators and have an opportunity to have a group photo taken with Governor Deal. Once the bags are ready to go and the photo session is over, local chapter members will fan out across Capitol Hill, delivering the bags and having the chance to meet and converse with their local legislators.

After the delivery of all the bags, members will have some time to grab lunch and to visit with old friends and colleagues. Then, later in the afternoon, if there's a House or Senate committee meeting of interest scheduled, members will have the opportunity to attend that and/or attend a House or Senate session.

Late in the afternoon, members will make their way over to the Empire Room of the Sloppy Floyd Towers to prepare for the Legislative Reception held in conjunction with the Georgia Professional Human Services Association. The reception, featuring beverages and finger foods, is a great opportunity for members to visit with each

other and, most importantly, their legislators, in a social setting. During the reception, GSRA will award its *Legislator of the Year* award and GPHSA will award its *Friends of Children* award. Attendance by legislators has increased each year since the initial reception, and each legislator who attends is definitely looking forward to meeting his or her constituents at this event.

Complete details about the 2014 GSRA Day at the Capitol and Legislative Reception will be provided to members in mid-December. This will include the complete day's agenda, parking directions, event lodging, registration information/links, etc. As with the first three events, GSRA will be counting on members to contact their legislators and personally invite them to attend the reception. Past experience has shown that this personal invitation from their constituents is even more important than the official invitation they receive from the association. Be on the lookout for the Action Alert which will provide you with a message that you can personalize and easily allow you to contact your legislators.

We have seen it in the events of the past several years and we heard it again at the Annual Meeting in October. Our concerns as state retirees are not a top priority for state leadership. If we don't demonstrate our concerns about the promises made to us during our careers regarding our pensions and health insurance benefits, there is no one else who will. Unless you are willing to see your benefits continue to erode in value, you owe it to yourself and your loved ones to make this event a top priority on your calendar and actively show your support for yourself and your fellow state active and retired employees and educators by participating in the GSRA Day at the Capitol and Legislative Reception activities.

Does GSRA Have Your Correct Contact Information?

Please be sure to update your **email address** with GSRA when it changes. Simply log in to www.mygsra.com using your old email address and password; select "Our Members" and "My Profile", and then change your information using the "edit" feature.

If your **mailing address** changes, and you do not use a computer, please notify us of your new address by sending a card or letter to the address at the bottom of this page.

Local Chapter Highlight – Northeast Metro



Northeast Metro officers are: President Ernie Melton, President-Elect Mike Murdock, Secretary Holly Pounders, Treasurer Darrell Thompson

Meeting Schedule	The chapter meetings are scheduled as officers feel appropriate. Each year we sponsor the “GSRA Night At the Gwinnett Braves Stadium” inviting all GSRA members and their friends. We also hold at least one business meeting in the fourth quarter. Other social or business meetings are scheduled periodically.
Meeting Location	Meeting locations vary. The fourth quarter meetings are normally held at the Bethesda Senior Center in Lawrenceville. The social meetings are usually held at a Golden Corral in the area and we have the social at the Gwinnett Braves Stadium.
Counties Covered	The Northeast Metro Area Chapter was organized to serve members in five counties. They are: Barrow, Gwinnett, Hall, Jackson, and Walton counties.
Members From	DOA, Audits, Bank&Fin, Bd of Regents, GBA, DCA, DCH, DOC, DOAS, DOE, DFACS, GSFIC, Forestry, GBI, Gwinnett Co Schools, Hall Co Health Dept, DHR, Ins Comm, DOL, Law, Merit System, DNR, Newton Co Health Dept, OPB, Pardons&Paroles, DPS, DOR, SOS, Tech College System, GTA, DOT, Voc Rehab
Membership	We have around 350 members.
Chapter’s Highlights last six months	One of the best meetings thus far was held in November 2013. We had speakers from the Silver Sneakers Program, the Gwinnett Braves, and the United States Secret Service. About 60 people attended.
Chapter’s 2013 Goals	Each year our goals are pretty much the same: Grow membership and educate elected state leaders from the local area about the concerns of active and retired state employees and educators.
Chapter’s next program or fun event	We will be encouraging our members to make a strong showing at the GSRA Day at the State Capitol January, 29 th . It is always fun. Our chapter is closer than many chapters so we need to be active in this event. Another fun event will be the annual “GSRA Night At the Gwinnett Braves Stadium” again in 2014.

New Members in November

Name	County	Name	County	Name	County
Row Anderson	Fayette	Martha Essendelft	Cobb	Vivian McCloud	Thomas
James Andrews	Randolph	Ben Eubanks	Talbot	Jacquelin McCurdy	Meriwether
Dorin Brooks	Thomas	Lorraine Griffin	Gwinnett	Randy McNeal	Laurens
Larry Bryant	Pierce	John Harris	Ware	Sue Nelson	Gwinnett
Waymond Bulloch	Meriwether	Roger Hatcher	Muscogee	Raymond Patchen	Fulton
Jason Butler, Jr	Ware	Christie Hudson	Muscogee	William Pearce	Cobb
Joseph Byrne	Ware	Joseph Hungate	Gwinnett	Cynthia Pearson	Fulton
Eslie Carmack	Harris	Floyd Jackson	Fulton	Lamar Pepper	Hall
David Childers	Fulton	Marion Jackson	Thomas	Linda Phillips	Lee
Arunita Christian	Thomas	Earl Jones	Talbot	Jessie Ranson	Thomas
Gail Clark	Thomas	Gwendolyn Jones	Muscogee	Delphine Reese	Dekalb
Brenda Courson	Lowndes	Loretha Jones	Thomas	Valorie Rouse	Ware
Sondra Crews	Ware	Pledge Jones, Jr	Muscogee	Jackye Saunders	Thomas
Twyla Crump	Floyd	Milain Joyner	Walton	Libby Scully	Thomas
Dale Danneman	Dekalb	Barbara King	Thomas	Martha Scurry	Pierce
Mary Darsey	Pike	Peter Krakeel	Fayette	Althea Serrant	Fulton
Franklin Deloach	Coweta	Sharon Larew	Gwinnett	Lawrence Tindall	Ware
Diane Devevo	Meriwether	Barbara Lariscy	Richmond	Doris Upshaw	Muscogee
Merriam Douglas	Muscogee	Judy Larue	(Alabama)	Joann Ward	Haralson
Franklin Douglass	Muscogee	Mary Lewis	Hall	Patsy Welch	Thomas
Betty Drake	Muscogee	Alberto Leyva	Gwinnett	William Willis	(Alabama)
Carlene Dukes	Ware	Nell Little	Thomas	Donald Wishon	Cobb
Susan Eadie	Gwinnett	Juanita McBride	Chattahoochee	Ann Wright	Gwinnett

November Newsletter Correction

The November Newsletter contained typos in the caption identifying two of the Columbus/West Georgia Area local chapter officers. Those officers should have been listed as **Treasurer Elizabeth Eustice** and **L. J. Warren, Public Relations**.

Questions About/Help with Anything GSRA

If you have questions about or need help with anything related to GSRA, contact help@mygsra.com or call 770-312-2799.

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