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Retired State Employees Association

NEWS

Serving Texas ERS Retirees Since 1977

November 2021

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Annual Meeting Door Prize Winners

At the Annual Meeting of the Retired State Employees Association, we were able to award a total of 16 door prizes worth \$850.00 to registered attendees. This was possible through the generous donations from our sponsors (see the article on page 3).

A total of 15 people won a Visa gift card worth \$50. The grand prize winner received a \$100.00 Visa gift card. The winners were:

Tom D. of Madisonville
Eddy E. of Austin
Stella H. of Bastrop
Sharon K. of San Antonio
Reuben L. of Austin
Sandy L. of Leander
Thomas M. of Austin
Donald N. of Austin
Noe P. of Corpus Christi
Gayle S. of Austin
Larry T. of Austin
Tina W. of Missouri City
Paulette W. of Austin
W W. of San Angelo
Mary Z. of Austin
Sharon O. of Round Rock < The Grand Prize Winner

Congratulations to all!

President's Message

Bill Hamilton, RSEA President

Thank you everyone for participating in our 2021 Annual Membership Meeting, our annual celebration of public service, Texas-style. Our success always comes from our members' generous participation.

This year, the themes of the RSEA Annual Meeting were: Public Service, Longevity, and Civic Engagement.

We started with Porter Wilson and Jennifer Chambers presenting the ERS update. Next, we heard the inspiring message of civic engagement and civil discourse by Dr. Victoria DeFrancesco Soto from the LBJ School of Public Affairs. Then we recognized the leadership of Senator Jane Nelson as our 2021 recipient of the A. M. Aikin, Jr., Memorial Public Service award. These shine a light on our vision for State of Texas public service.

This newsletter showcases the contributions of these hallmark events. You'll also see reports on our annual election of RSEA Board Members and a special acknowledgement of the contributions of our Annual Meeting Sponsors. We also have updates on ERS fall enrollment and website contact links. Finally, we show the lucky winners of our ever-popular door prizes!

As we now enter our post-legislative cycle, I offer the following message.

Texas state government has a rich legacy of public service. That legacy is empowered by personal commitment to service of state employees and retirees who see the value of a strong pension program possessing sound actuarial models, strong investments, and solid, fiscally conservative financial protections. A solid pension system, along with a strong insurance program, has always been a major reason many employees have historically dedicated their careers to the State of Texas.

The RSEA Board of Directors works throughout the year to offer RSEA as the one organization exclusively focused on Texas state retiree issues before the Texas Legislature and the Employees Retirement System.

While there have been **challenges to the value of public service, public servants, and our structure of retirement benefits, RSEA has steadfastly maintained these priorities:**

- Get and keep the ERS pension fund to an actuarially sound funding level since retirees can benefit from a healthy fund with periodic positive annuity adjustments.
- Keep insurance benefits at their current level because any increase in our insurance costs essentially is a reduction in each retiree's annuity.
- Enhance the retiree voice before the ERS Board of Trustees.

Fortunately, recent significant progress was made on these fronts during the Regular Session of the 87th Legislature. With the initial installment of \$500 million increased annual appropriation to ERS in the 2022-23 biennium, the likelihood of a cost-of-living annuity adjustment for current State retirees has increased from "infinity" (i.e., "never"), to at least a possibility in the next 2-5 years.

However, in spite of these prospects, our work is not done. It is important for each successive Legislature to sustain the increased level of funding until all unfunded liability has been addressed. Your membership in RSEA gives us the strength in numbers to support our work.

We will be here to do the work and look forward to having you with us along the way. ■

2021 Annual Meeting Highlights

On September 29, 2021, RSEA held the second "virtual" Annual Membership Meeting. The event was informative, congenial, and successful.

The meeting was professionally hosted by Bo Carr (Director, Association Relations) at the AMBA (Association Member Benefits Advisors) offices in Austin.

By using both the Chat and Q&A features of Zoom, members were able to comment and participate in the discussions.

Participation

We had almost 65 registered attendees from around the state. While most of the attendees were from Austin, almost 45% were from other Texas locations. A total of 16 people won a total of \$850 in door prizes. Door prizes were highly anticipated; the winners are listed on the last page.

Report from ERS

Porter Wilson, Executive Director of our Employees Retirement System made an informative presentation describing the beneficial effects of the actions taken by the 87th Legislature. He provided graphs showing the beneficial effects of the ERS Investment Diversification strategy, both for growth of assets as well as protection of these assets.

He explained going into the Regular Legislative Session the ERS Trust Fund was projected to run out of money in 2061. In response, the Legislature passed SB 321 to add \$510 million each year in FY 2023 and 2024. Further, they agreed to continue increased funding to address the current unfunded liabilities by FY 2054, at the latest.

He discussed the passage of HB 917 that allows one elected ERS trustee to be a retired state employee. The Spring 2023 election will be the first in which a retiree can run.

Next, Jennifer Chambers, Director of Government Relations at ERS, discussed another provision of SB 321 – one that creates a new retirement group for state employees starting on or after Sept. 1, 2022. They will be enrolled in a different type of defined benefit retirement structure, a "cash balance benefit." This is the type of benefit structure found in many county and municipal retirement systems. Retirement eligibility and benefits for current employees and retirees will not change, but the change in benefits for future employees and the state's commitment to pay off the Fund's debt will ensure current and future retirees get the lifelong annuities they earned over their careers.

Scholarships

Dr. Victoria DeFrancesco Soto of the UT Austin LBJ School of Public Affairs discussed the importance and value of the assistance RSEA provides. To promote public service in state government RSEA sponsors four graduate student scholarships of \$2,500 annually.

Business Meeting

The business meeting included financial reports and election of directors and officers.

Board of Directors Election

Four board members were re-elected to serve two-year terms beginning January 2022. They were:

Bill Hamilton, President (formerly w/ Office of Court Administration) has served on the Board since 2009. He has been President since 2010. He actively participates in several local, national, and international organizations.

Willie Piña, 2nd Vice President (formerly w/ Dept of Human Services) started serving in 2002, with previous positions as President and Treasurer.

Denice Bettencourt (formerly w/ Dept of Transportation) started serving in 2019. She's held board and committee positions and continues to be active in local non-profits.

Eliza May (formerly w/ Funeral Service Commission) held multiple roles in state government. She started serving in 2019. Since retiring, she has researched public policy issues. She has also served on numerous boards of non-profits.



Senator A. M. Aikin, Jr., Memorial Retired State Employees Association Public Service Award

The Aikin Award was established to recognize and memorialize the late Senator A. M. Aikin, Jr., who served 46 years in both chambers of the Texas Legislature. Senator Aikin inspired the creation of the Retired State Employees Association (RSEA) in 1977 when he realized state retirees were not well represented at the Legislature by any group.

Senator Aikin began his political career in 1932 when he was elected to the Texas House of Representatives. He completed two terms in the House, then served in the Texas Senate from 1937 until his retirement in 1979. He served on the Senate Finance Committee during his entire 42-year Senate career, chairing the committee from 1967 to 1979.

Aikin is remembered as a strong advocate of education reform and state employee and retiree rights. He sponsored an amendment to the state constitution in 1937 creating the Teacher Retirement System and was a firm supporter of creating of the Employees Retirement System in 1947. Known as "the father of modern Texas education," he was instrumental in establishing the centralized state education system and the Foundation School Program when he co-sponsored the Gilmer-Aikin Laws with Representative Claud Gilmer in 1949.

In the summer of 1977, Senator Aikin contacted his friend, Henry Rothell, and asked him to help form a group to work for retiree benefits. Thus, RSEA took shape.

This is the most prestigious award given by RSEA and is presented to a recipient who exemplifies a true public spirit, gives honor to public service, and has demonstrable efforts on behalf of state retirees. Each of the following recipients of the Senator A. M. Aikin, Jr., Memorial RSEA Public Service Award has been honored for their individual actions and commitment to state retirees.

- 2011 – Senator Bob Duncan
- 2013 – Representative Bill Callegari
- 2015 – House Speaker Joe Straus
- 2017 – Representative Dan Flynn
- 2019 – Representative Ana Hernandez
- 2021 – Senator Jane Nelson



Sponsors of RSEA Annual Meeting

Because the Annual Meeting was virtual, we were unable to have onsite exhibitors. However, we were most fortunate to have as sponsors:

- Association Member Benefits Advisors (AMBA),
- BlueCross and BlueShield of Texas,
- United Healthcare,
- Delta Dental, and
- Superior Vision.

We very much appreciate their support. AMBA was especially helpful providing tremendous technical support expertise we needed to host and coordinate this virtual event. ■

Miss any of the Annual Meeting?

Should you have missed any, or all, of the 2021 RSEA Annual Meeting, you can catch up by visiting the RSEA website www.rseaoftx.org.

You can find a recording of the entire Annual Meeting, as well as the ERS PowerPoint presentations and videos of the Senator A. M. Aikin, Jr., Memorial Retired State Employees Association Public Service Award presentation. Also on the website is Dr. DeFrancesco Soto's inspiring discussion of the importance and value of the RSEA Fellowship Program, civil discourse, civic engagement, and the LBJ School's goals and initiatives. ■

ERS Fall Enrollment

Open enrollment for health insurance for 2022 will start Nov. 1 and end Nov. 19. Information packets will be sent shortly. Only online webinars will be held. To see the schedule for ERS presentations, visit: <https://bit.ly/2Xi0nO4>. United Healthcare information can be found at their website: <https://retiree.uhc.com/ers-ma>. ■

Helpful Contacts

ERS: www.ers.texas.gov/retirees / 877-275-4377

United Healthcare: <https://retiree.uhc.com/ers-ma/> / 855-853-0453

BlueCross / BlueShield of Tx: <https://healthselect.bcbstx.com/> / 800-252-8039

Delta Dental: www.ERSdentalplans.com/ / 888-818-7925

Superior Vision: www.StateofTexasVision.com/ / 877-396-4128

Association Member Benefits Advisors (AMBA): www.myambabenefits.info/rsea-of-texas/ / 888-701-1558