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33 Nob Hill Road • P.O. Box 8003 • Madison, WI 53708-8003

### WEAC-Retired Calendar of Events

Oct. 9	WEAC -Retired Legislative Coalition Committee – WEAC office
16	WEAC-Retired Member Benefits Committee – WEAC office
16-17	WEAC Board of Directors – Madison
29-30	WEAC Convention – Milwaukee
Nov. 5	WEAC-Retired Board of Directors – WEAC office
6-7	WEAC Board of Directors – Madison
15-21	American Education Week
Dec. 14	WEAC-Retired PR Committee – WEAC Office
Jan. 5	WEAC-Retired Member Benefits Committee – WEAC office
7	WEAC -Retired Legislative Coalition Committee – WEAC office
8	WEAC-Retired Board of Directors – WEAC office
8-9	WEAC Board of Directors – Madison
15	WEAC RA delegate nomination forms mailed (in Keeping in Touch)

## Chapter Event

The event listed to the right is open to everyone. If you would like to participate, call or email the contact person listed.

**December 2, 2009**  
**Chicago Trip**  
**Sponsored by Lakewood UniServ Council-Retired**

The tour will begin on the bus at the Water Tower Place at 1 and return about 4:30. The tour is mainly from the bus, but there are a couple of places we will leave the bus to see the buildings.

We must have at least 10 people to offer the tour.

Please note the October 30 deadline.

The cost is \$30 per person (for bus reservation by October 30) plus an optional \$37.50 per person for an architectural tour. The cost is \$35 per person for bus-only reservations sent between Oct. 30 and Nov. 27.

There are multiple pick-up points in the Milwaukee area and multiple drop-off points in Chicago.

To make a reservation or for more information contact Bob Wilke at [rwilke20@wi.rr.com](mailto:rwilke20@wi.rr.com) or 262-378-4452.



## Cyber Connections:

- Bob Henning, WEAC-Retired President . . . . . [rhennin2@dwave.net](mailto:rhennin2@dwave.net)
- Dustin Beilke, WEAC-Retired Affiliate Coordinator . . . . . [beilked@weac.org](mailto:beilked@weac.org)
- WEAC-Retired . . . . . <http://www.weac.org/home/retiredmembers.aspx>
- WEAC Home Page . . . . . <http://www.weac.org/>
- WEA Credit Union . . . . . <http://www.weacu.com/>
- WEA Trust . . . . . <http://www.weac.org/Constit/weainsure.htm>
- NEA-Retired . . . . . <http://www.nea.org>
- NEA Member Benefits . . . . . <http://www.neamb.com>
- Social Security Administration . . . . . <http://www.ssa.gov/>
- State of Wisconsin Department of Employee Trust Funds . . . . . <http://etf.wi.gov>
- State of Wisconsin Investment Board . . . . . <http://www.swib.state.wi.us/>
- State of Wisconsin Department of Public Instruction . . . . . <http://www.dpi.state.wi.us/>
- National Committee to Preserve Social Security and Medicare . . . . . <http://www.ncpssm.org/>

# Keeping in Touch



## Run and Vote...and Thank You

By Bob Henning, WEAC-Retired President

Thank you for electing me your President and for participating in the most recent WEAC-Retired officer elections.

I am humbled by the support I received and proud to serve along with Vice President Skip Jewett, Secretary Florence Hyatt, and Treasurer Peg Fullmer. We are excited to tackle the work of amplifying the voice of retired people in our state's ongoing education, labor, budget and other policy discussions. We would all like to thank and congratulate outgoing WEAC-Retired President Allen Knop for six years of patiently guiding this rapidly growing ship.

A union's strength is in its numbers and in its members' active involvement and enthusiasm. Voting and participating in elections is just one way WEAC-Retired demonstrates and develops its strength within WEAC and out in the rest of the world.

You can do more than vote. You can become involved in your local retired chapter and at the state level.

Based on the size of our membership, WEAC-Retired was allotted 38 delegates to the 2009 WEAC Representative Assembly. We did not take full advantage of our numbers, however, because only 34 members came forward to become delegates.

Retired members are an important part of the RA discussion and decision-making process. That is why I am taking this opportunity to encourage all of you to consider nominating yourself as a WEAC RA delegate. The next issue of *Keeping In Touch* will have nomination forms inside that you can fill out and mail back to WEAC-Retired. If you have questions in the meantime, you should feel free to contact WEAC-Retired Affiliate Coordinator Dustin Beilke by e-mail at [beilked@weac.org](mailto:beilked@weac.org) or phone at 1-800-362-8034, extension 270.

You should also feel free to e-mail me at any time at [rhennin2@dwave.net](mailto:rhennin2@dwave.net) on this or any other topic.



## WRS Annuity Adjustments: What it means for you.

In May, Wisconsin Retirement System (WRS) retirees saw reductions in their Core annuities for the first time in WRS history as a result of the 2008 market downturn—one of the worst economic declines on record.

The Core annuity adjustment was -2.1% in spite of the fact that the 2008 annual investment return for the Core Fund as of December 31, 2008, was -26.2%. In contrast, the Variable Fund annuity adjustment was a whopping -42%. Why the huge difference? By law, increases and decreases in the Core Fund are spread out over a five-year period. This "smoothing" is designed to reduce the year-to-year volatility of Core Fund investment returns. Positive earnings from 2004–2007 kept retirees in the Core fund from realizing the full reduction in their pension checks.

The Variable Fund, by law, is not smoothed; thus those invested in this all-stock option experience effective rates and annual annuity adjustments that are closer to the actual State of Wisconsin Investment Board (SWIB) total rate of return. Ouch! Overall, the 5- and 10-year averages of the Core Fund have outperformed those of the Variable Fund. It's no surprise then, and likely a relief to many that the Employee Trust Fund (ETF) Board has recommended closing the Variable Fund. When this will happen will depend on when the State Legislature acts on the recommendation.

### What Retirees Can Expect

Looking ahead, retirees in the Core Fund can very likely expect the annuity adjustments to get worse before they get better. To avoid a negative annuity adjustment in 2010, the 2009 investment return would need to be between 27.9% and 30.7%. Even then, the next five years' annuity adjustments will be impacted by 2008 negative returns as they are factored into the adjustments as part of the smoothing.

One safety net retirees have is the promise that the Core Fund annuities can never be reduced below the finalized annuity amount received at retirement. Only Core annuity dividends granted in previous years can be reduced. However, the Variable Fund doesn't carry the same promise. For retirees participating in the Variable Fund, there is no limit to how much their Variable annuities can be reduced.

In a presentation to WEAC Retirees last spring, Sari King, Constituent Relations at ETF, shared hypothetical projections for various Core fund investment return scenarios including from -10% to 30.7% reinforcing the possibility that the next five years could be rough as the 2008 figure works its way out of the calculation.

## NEA-Retired Annual Meeting Jump Starts 2009 RA

With 10 delegates, WEAC-Retired had one of the largest representations at the 2009 NEA-Retired Annual Meeting at the Manchester Grand Hyatt San Diego.

WEAC-Retired President-elect Bob Henning headed up the group that included Ginny Bosse, Bob Coleman, Bob Fullmer, Chuck Howard, Florence Hyatt, Kay Krause, Carol Krogmann, Dianne Lang, and Lucy Nefstead.

NEA President Dennis Van Roekel addressed the retired delegates on the first day of the meeting, thanking retired members for their tireless political action and lauding membership increases in state affiliates such as WEAC-Retired. These membership increases are especially important during our nation's ongoing economic crisis, Van Roekel said, reporting that 2009 could be the first year in decades that NEA's total membership declines. Even before the downturn NEA-Retired was the fastest growing unit in the organization.

Van Roekel said NEA's top priorities are health care reform, passing the Employee Free Choice Act, the reauthorization of the Elementary and Secondary Education Act, and closing achievement gaps. Van Roekel emphasized that the efforts of

retired activists will be crucial to the union's success in each area.

NEA Vice President Lily Eskelsen addressed the meeting on the final day, reiterating Van Roekel's priorities and adding the protection of Social Security to the list.

Eskelsen said NEA leans heavily on retired members' experience and organizing skills, especially when it comes to monumental battles such as health care reform and saving Social Security.

"Hope starts here," Eskelsen told the retired delegates. "You have always shown us the way."



### WRS Annuity Adjustment, continued from page 1

#### Recovery Strategy: Historically Speaking

About one-third of the total price recovery of the last 11 bear markets—wrote Keith Bozarth, Executive Director of SWIB, in the ETF News—was earned in just the best five consecutive trading days following a major downturn. This means that investors who pull out of the market when the market drops, run the risk of missing the best chance to recover. For example, investors who were out of the market for the best ten days missed 38% of the total gain in the S&P 500 for the 20-year period from 1988 through 2007. And don't forget, that down markets can present opportunities for investors to buy undervalued investments at low prices.

#### Tips to Reduce the Pain

Michelle Slawny, Sr. Retirement Income Consultant at WEA Trust Member Benefits, offers the following suggestions to retirees struggling with the negative adjustment.

1. Reduce your expenses. "It's basic, yes, but I always tell members—of all ages—it's not about how much you make, but how much you spend." Any way you can reduce your monthly expenditures will help you deal with the reduced income.
2. Consider taking Social Security. If you are not already receiving your Social Security benefit and are eligible to do so, you might want to start. Be aware of the reduced benefit if you have not reached your full retirement age.
3. Put off large expenditures that may require dipping into your investments. Keep the money in the market to improve your buying power as the market recovers.
4. If you are in the Variable Fund, consider staying put! Moving into the Core Fund at this point will "lock in" the losses of 2008 and move you into an investment that will likely continue to suffer.

See sidebar about Retirement Income Analysis on next page.

## WEAC-Retired makes news in San Diego

San Diego welcomed NEA 2009 RA delegates to the city in numerous ways, with a huge banner on the front of the San Diego Convention Center and more modest signs in the front windows of many downtown stores and restaurants.

But the loudest shout-out came in the form of a *San Diego Union-Tribune* feature article that ran the Sunday before the RA started, during the annual meetings of NEA-Retired and Student NEA.

The article focused on NEA's Outreach to Teach program and prominently featured WEAC-Retired President-elect Bob Henning.

Henning, who has participated in dozens of Outreach to Teach events through the years with Student WEA and Student NEA, was one of the volunteers who helped fix up Balboa Elementary School in Shelltown.

Henning and the rest of the Outreach to Teach participants erected new bookshelves, updated materials in the school library, assembled picnic tables, and installed the school's first real soccer goals.

Henning told the *Union-Tribune* that based on his experiences with Student WEA and Student NEA our nation's public schools will be in good hands with the next generation of teachers.

"They're our future, and I'm impressed with what's out there," Henning said.

The article can be found on the *San Diego Union-Tribune* website at <http://www3.signonsandiego.com/stories/2009/jun/28/1m28nea005529-students-retired-teachers-fix-school/?education>.

# Travel Tips



**Thomas Kreif, WEAC-Fox Valley Retired Member and Traveler**

<http://my.athenet.net/~mesh>

Now is the time to travel, because the deals out there will never get better.

Feel free to use my website, at no cost, to conveniently research vacation options and save money: <http://my.athenet.net/~mesh>.

Here are 10 travel tips to keep in mind if you are traveling in the next few months:

- During fall and winter, escorted European tours can save individuals up to 40% compared to the cost of putting it together on your own.
- Those of you who travel by car should know that Wisconsin's new primary enforcement law means police can now stop and ticket a driver for not wearing a seat belt.
- If you are considering traveling in a bug-filled area such as the Amazon or even northern Wisconsin, use a short bungee cord around each pants cuff. These cords do not take up much room and they prevent mosquitoes and annoying bugs from biting exposed flesh.
- If luggage weight is a concern (most international flights no longer allow two pieces of luggage to go for free), consider packing only the relevant pages from your travel guides and removing the rest. Punch a hole at the top of the pages and put a metal book ring through them.
- Your doctor's business card can easily serve as a lightweight medical recorder. List your medications on the back of the card and keep it in your wallet. On my website it is also possible to download a one-page physical form that you might want to consider carrying.
- If you do not know where to buy the best airport food, consider following the flight crews.
- Turn your laptop upside down in the bin when going through gate security, because then you will be less likely to mistake it for someone else's.
- If you have problems identifying where your rental car is parked (this suggestion would also work for your own car), attach a unique-looking magnet to the car.
- If you enjoy traveling with a hat, but always remove it when going inside, use a binder clip to attach the brim to the back of your belt.
- Renting a car in a foreign country requires special precautions if you are in an accident. It is extremely important that you complete the required accident reporting form. Failure to do so might prevent you from leaving the country.

## **Retirement Income Analysis Available to WEAC-Retired Members**

WEAC-Retired members are eligible to receive a Retirement Income Analysis offered by WEA Trust Member Benefits. This fee-based service can help answer your questions and clarify your retirement plans by providing you with:

- Knowledge of whether you are on track to meet your goals.
- Suggested adjustments to meet your goals.
- Your future Wisconsin Retirement System payment estimates.
- Your Social Security payment estimates.
- A retirement distribution and cash flow analysis.
- A tax analysis to help you anticipate your future income tax liability.

This service is provided by a Certified Financial Planner™ who:

- Understands retirement benefits available to public school employees.
- Is expert in coordinating those benefits.
- Has your needs and best interest in mind.

A member discount is available to WEAC-Retired members and you may also be eligible for a reduction in cost if you have a 403(b) TSA account with WEA TSA Trust.

Call Michelle, our Sr. Retirement Income Consultant, to help you evaluate whether this service is appropriate for you.

1-800-279-4030, Ext. 2513

[weabenefits.com](http://weabenefits.com)

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*Investment advisory services offered through WEA Financial Advisors, Inc.*

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