

# Retirees Today

*Illinois State Employee Association Retirees*

John P. Coady, President

Rudy J. Kink, Jr., Executive Director

Sue Cooperider, Office Manager

Mary Lou Thomas, Insurance Director

Fall/Winter 2015

## SESSION UPDATE

December 2015

Jessica Nardulli & Tom Ryder

The State is about to begin its sixth month of the “new” fiscal year without a budget. As a result, the General Assembly has met in “continuous session” since the scheduled adjournment date of May 31st – which means legislators have come to Springfield about a dozen times since then. The House returned December 2nd but the Senate isn’t scheduled to return until January 13.

Meanwhile, due to continuing appropriations and court orders, the state continues to spend unappropriated FY16 funds at an unsustainable rate. For a while, everything seemed to be operating as normal. The K-12 budget was passed and signed so public schools opened on time. The court ordered that state employees receive their pay checks and pensions and that human service programs tied to federal consent decrees continue to be funded. Mass transit is still operating, state run offices are still open, and the state’s debt service payments are being made. This resulted in a lack of urgency to compromise.

As the state continues to go without a budget, some people are beginning to feel some real pain. Among the numerous victims hurt by the stalemate include: higher education and students receiving state aid to pay tuition (schools can continue to hobble along, but for how long?); \$3 billion in non-federal human service appropriations can’t be spent (we’re hearing about job cuts, reduction of services, and cancellation of programs with increasing frequency); police training programs have been canceled; and lottery winners are receiving IOUs. There are also serious problems with federal grants matched with state dollars. If no state dollars are appropriated, the state stands to lose a lot of federal money in the next federal fiscal year, which began on October 1. Additionally, the state’s already dismal credit rating received another downgrade recently. A lower credit rating means it’s both tougher and more expensive to borrow money.

There is a little good news from Comptroller Leslie Munger. She plans to make the full state pension payment for December. The comptroller couldn’t make the November payment due to a depleted state checking account, but holiday sales tax receipts and quarterly income tax payments enable the office to make the December payment. The office anticipates the November payment will be made up sometime in the spring.

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Back to the bad news: without a budget in place, CMS does not have any legal authority to pay health care providers FY16. CMS has exhausted all funds left over from FY15 and payments to providers stopped a couple months ago. As a covered plan participant, your medical, prescription, dental and vision coverage has not been stopped or reduced in any way. At this time, all vendors providing HMO plans and Medicare Advantage plans will continue to play claims to providers on their normal schedule. Therefore, it is anticipated that members enrolled in these plans will not see any significant changes due to the budget impasse. If a healthcare provider requests payment at the time of service, members should contact their plan administrator directly at which time the plan will reach out to the provider to come to a resolution.

We are in uncharted territory. Most pundits and even legislators thought this would be over by now. The biggest rumor around town is that we won't be seeing a budget agreement until the new year. We do not wish to be an alarmist, but as politician's discuss revenue options to help get us out of this mess, we are hearing some discussion about taxing retirement income. We continue to monitor these events closely and will keep you informed.

Arguably, we have been coming to a disaster point for decades. We are now at that point. While there has been no real sense of urgency in these first several months without a budget, the pressure will really start to build in 2016 as we begin to consider a budget for FY17 and in March or April when the state really begins to run out of money.

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## **Income Tax Preparation**

Rudy J. Kink Jr., Enrolled Agent

ISEA Retirees offers tax preparation to our members for a comparatively low fee. As the Association's Tax Specialist and Enrolled Agent, I remain current with tax changes ensuring you precise tax preparation.

When you are in need of tax preparation, simply call 217-698-6070 to request a tax packet. You may return your tax information in the envelope provided or bring your information to our office located at 1548 W. Jefferson Street in Springfield, IL. Once I have completed your tax return and returned it to you, you will be given time to review and sign off on it before I actually electronically file it for you.

ISEA Retirees has successfully offered this service for many years and we are happy to simplify the filing of taxes for so many of our members. For a free no obligation estimate of the cost to prepare your returns, call our office at the above number.

## **News From the Insurance Department**

Mary Lou Thomas, ISEA Retirees Insurance Director

Another year has passed and we are approaching the 2016 coverage period for State of Illinois Retirees. The enrollment period ended November 16, 2015, which means that all Retirees have chosen if they want to be enrolled in a PPO or HMO plan.

The changes for Plan Year 2016 are:

- The co-payment for emergency room visits increase from \$65.00 to \$75.00.
  
- The cost of generic and non generic medication for Catastrophic Coverage Stages has increased slightly. The amounts are shown on pages 18 and 19 in Your Retiree Healthcare Decision Guide.
  
- The skilled nursing benefit for HMO plans will go from a 120-day limit per benefit period to unlimited days. There is no change to the PPO plan.
  
- Monthly contributions for dependent medical coverage remains the same, as well as the monthly dental contribution. Medicare Advantage Plan monthly contributions for Annuitants and Survivors with less than 20 years of service will increase slightly.

We are very pleased to be able to work with United Healthcare who administers the Medicare Advantage Plan . They have been very helpful with us and to many of our members. They have been patient with our questions and willing to listen to what our concerns are. Another benefit is that they are paying the providers within 4-6 weeks, which makes them very happy.

I am available for questions Tuesday and Wednesday, 8:30 a.m. to 12:30 p.m. and Susan Cooperider is available Monday through Friday 8:30 a.m. to 4:30 p.m. We have years of experience and would be more than happy to help you with any question or problem that you might have.

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### **Odds and Ends**

Rudy Kink Jr.

Did you know that seniors who are under the Medicare Advantage Plan may join a program called Silver Sneakers? Silver Sneakers allows you to join a variety of health clubs free of charge. Many medical experts recommend some type of exercise program for as little as 30 minutes per day and three or four times a week will support a good health program for you. You may go a participating health club close to you and show them your Medicare Advantage insurance card to join. Check this out!

## **Election Time For ISEA Retirees Board of Directors**

ISEA Retirees will hold an election for current Board Directors whose terms expire in 2016. The Board presently consists of officers President John Coady, Vice-President Geraldine Johnson and Secretary John Mundstock. Directors Rudy Kink, Eugene Bloch, and Philip Novak are seeking reelection for 2 year terms.

To be eligible to serve, you must be in good standing with the Association, have been a member for four consecutive preceding years and must not be a member of a competing retired employees organization or association. Board members are required to attend the Board of Directors meetings in Springfield. ISEA Retirees asks those members who meet the before mentioned criteria and who may be interested in serving on the Board of Directors to complete the nomination form and return it to our office by January 11, 2016. The elections will take place by January 20, 2016.

You may call the office to speak to the Nomination Committee with any concerns. You may read about the Election on our website: [ISEARetirees.org](http://ISEARetirees.org) and if you are interested in serving on the Board, please return the form to:

**ISEA RETIREES**  
Attention: Nomination Committee  
1548 West Jefferson Street  
Springfield, IL 62702

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Non-Profit Organization  
U.S. POSTAGE PAID  
Springfield, IL  
Permit No. 500

1548 West Jefferson St. Springfield, IL 62702  
Phone 217/698-6070 Fax 217/698-6079

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### **Nomination Form**

I wish to serve as a Director on the ISEA Retirees Board of Directors.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

My ISEA Retirees membership began in the year: \_\_\_\_\_

Your History: Please include a biographical paragraph or history of yourself.