

# Retirees Today

*Illinois State Employee Association Retirees*

Rudy J. Kink, Jr., Executive Director

John P. Coady, President

Geraldine Johnson, Vice President

John Mundstock, Secretary of the Board

Philip Novak, Director

Summer 2016

## SESSION UPDATE

June 2016

Jessica Nardulli & Tom Ryder

It was a busy legislative session that ended without a budget on May 31, 2016. We were active even though the session will be known more for what it did not do than what it accomplished.

**No Budget.** State government in Illinois operated for the entire Fiscal Year without a comprehensive budget. However, the good news is that all payments into the five retirement systems were paid in full. Because of our concerns about such payments, we along with Rudy Kink, Jr., met with SERS officials. We were please to learn that despite an announcement last fall of delayed payments, all payments due to SERS from the State of Illinois have been timely paid. Good news on that front.

**No Retirement Income Tax.** This spring we heard several legislative leaders indicate new revenue will be necessary to balance the budget. One of the sources of new revenue that has been mentioned was an income tax on retirement income. We worked very hard to convey the message that such a tax would hit current retirees especially hard. Because of the age and limited income of most retirees, they have few options to meet expenses like an additional tax. Current retirees would not have the opportunity to plan for such a tax. The lack of options and planning create a hardship. We are happy to report that recent statements by the Governor and some legislative leaders indicate a retirement tax income is not under consideration. However, we shall remain vigilant should the subject surface in the future.

**No Lump Sum Option.** Earlier this spring several pieces of legislation were introduced which would allow state employees the option to take a reduced lump sum pension payment instead of their defined benefit pension payment. The goal is to reduce Illinois' massive unfunded pension obligation. At least three committee hearings were devoted to the bills and the lump sum concept. Only one of the bills applied to current retirees, while the other concepts would be an option only for future retirees. Please note the chairwoman of the committee wished to be perfectly clear that the state would not force anyone into a reduced lump sum payment. The decision would have to be completely voluntary and only at the whim and desire of the participants. The bills never got out of committee, but we expect the concept will continue to be discussed in the future.

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**Continuous Session.** Because of the budget impasse, the legislative leaders have announced the legislature will meet in “continuous session” this summer. Initially, that meant the legislature will return to Springfield every Wednesday for session; however, at this writing, the first session on June 8 was cancelled. We shall continue to monitor the deliberations both in public sessions and with the working groups meeting in private.

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**ISEA Retirees Budget Tax Year 2015**

	Projected	Actual
<b>Revenue</b>		
Legal Defense Fund		\$5,265
Dues	\$205,000	\$194,409
Interest & Investment Income	\$18,000	\$18,406
Miscellaneous Revenue	\$6,000	\$4,662
Cash Reserves	\$35,000	\$0
<b>Total Revenue</b>	<b>\$264,000</b>	<b>\$222,742</b>
 <b>Expenditures</b>		
Salaries	\$118,102	\$102,202
Payroll taxes	\$11,245	\$8,827
Contractual Labor	\$30,000	\$30,000
Maintenance and Repairs	\$1,100	\$943
Utilities	\$3,000	\$2,287
Insurance	\$3,500	\$3,907
Furn, Fixt, Equipment Rental	\$6,000	\$1,213
Dues & Subscriptions	\$1,650	\$692
Office Supplies	\$4,200	\$3,807
Miscellaneous	\$500	\$109
Printing and Reproductions	\$5,000	\$702
Seminars/Continuing Ed/Travel	\$5,600	\$4,198
Postage	\$11,000	\$3,015
Telephone	\$2,700	\$1,641
License & Fees	\$500	\$331
Legal and Accounting	\$35,000	\$32,748
Computer Repair and Maintenance	\$4,000	\$808
Rent	\$11,750	\$12,000
Technology	\$900	\$44
Contingency	\$1,000	\$0
Board Meeting	\$2,400	\$630
Tax Preparation	\$4,000	\$3,320
<b>Total Expenditures</b>	<b>\$263,147</b>	<b>\$213,424</b>
 <b>Surplus</b>	 <b>\$853</b>	 <b>\$9,318</b>

## ISEA Retirees Board of Directors

Pictured from left to right  
Secretary John Mundstock,  
Director John Philip Novak,  
President John P. Coady,  
Vice President Geraldine Johnson, and  
Director Rudy J. Kink, Jr.

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**John Mundstock** began employment with the State of Illinois in 1979 with the Department of Labor as a Manpower Representative. In 1982, he transferred to Central Management Services Personnel as an Administrative Assistant and was promoted to Liability Claims Supervisor in 1983. John accepted a Public Service Administrator position as Claims Manager with the Department of Corrections in 1985 and retired in 2002.

**J. Philip Novak** retired from the Illinois House of Representatives in November 2003 after nearly 17 years of service. He was Chairman of the House Energy and Environmental Committee and later and Assistant Majority Leader. Mr. Novak's home was in Bradley, IL (Kankakee County). Prior to his state service, he was a Bradley village trustee for two terms and the Kankakee County Treasurer. Phil and his wife, Rebecca, have resided in Springfield since 2004.

**John Coady** is a member of the State University Retirement System (SURS), the Judicial Retirement System (JRS), and the Illinois Municipal Retirement System (IMRF). John teaches criminal justice and government classes for Lincoln Land Community College. His prior governmental services includes as a 4th Judicial Circuit Judge, Christian County States Attorney, and Christian County Public Defender. John lives in Taylorville with his wife Kathy. They have three children and four grandchildren.

**Geraldine Johnson** began with the Department of Revenue in April of 1954. She worked as a Supervisor for the Capital Development Board and then transferred to the Comptroller's office before retiring with 38 years of state services. Geri joined ISEA in 1974 and was instrumental in creating an ISEA branch office in East Saint Louis. She also served as the ISEA Treasurer. She was appointed a Director and continues to serve on the ISEA Retirees Board for more than 20 years.

**Rudy J. Kink, Jr.** joined ISEA Retirees in December 2005 upon his retirement from the State. Prior to retirement, he was Deputy Director of the Judges and General Assembly Retirement Systems and served in state government for 28 years. He has been Executive Director of ISEA Retirees since 2006. Rudy is an Enrolled Agent with his own tax business and serves as President of the Illinois National Chapter of National Association of Tax Professionals.

## ISEA Retirees Thanks Former President Eugene Block

Eugene Bloch worked 22½ years with the State of Illinois, employed first at the Peoria State Hospital then transferring to the Galesburg Mental Health Center before he retired as a Correction Industry Supervisor in 1989.

He became a member of the ISEA in 1966 and served as Treasurer of the Peoria Chapter before becoming the Chapter's President. He served as an Association Representative on the Illinois Retirees Legislative Advisory Council and upon his retirement was appointed to the ISEA Retirees Board of Directors by Joseph Pisano (past ISEA Retirees President and Executive Director).

Eugene became president of the Board of Directors in January of 2005 and remained it's President until December 31, 2013. After he stepped down as President, Mr. Bloch remained on the Board of Directors as an advisory past president and attended the Board meetings until this year.

ISEA Retirees owes much gratitude to Mr. Block for his many years of service and dedication.

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### Odds and Ends

You will probably recall in an earlier newsletter we told you about a scam going on in which individuals representing themselves as IRS agents or personnel have been calling taxpayers telling them they owe money and if they do not pay up they will be arrested or have their bank accounts frozen. Well the IRS recently announced that they arrested five individuals in Miami and charged them with wire fraud of nearly \$2 million from more than 1,500 victims of the scam. This is just a start for the IRS as this type of scam is still going on. Please be careful, the IRS **WILL NOT** call you so just hang up on any call you may receive from these impersonators.