

RETIREE NOTES



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AFSCME Action: SERS retiree health insurance

KENNETH AND MARY LOU Bradford were among dozens of SERS retirees who received notices at the beginning of December from the Illinois Department of Central Management Services (CMS) stating they would no longer have health insurance through the state as of January 1, 2020.

"We were terrified," Mary Lou said.

CMS said that notices had previously been sent to SERS retirees who had turned 65 informing them that upon becoming Medicare-eligible they could no longer stay in their current health plan and had to enroll in a Medicare Advantage Plan during the open enrollment period (October 15 to November 15). The state took the position that any retiree who failed to respond and select a Medicare Advantage plan during open enrollment had opted out of insurance.

AFSCME Retirees Chapter 31 received dozens of calls from retirees like the Bradfords who were shocked and alarmed to receive the CMS notice regarding termination of their health coverage. Chapter 31 immediately began an investigation.

As it turned out, the notice sent to retirees earlier in the fall was marketed with the TRAIL logo—Total Retiree Advantage Illinois—rather than coming from CMS. It's likely that many retirees did not recognize the TRAIL logo or understand that vital information about their insurance was in those envelopes. Rather, it looked more like the other solicitations that bombard

"President Trump indicated a willingness to cut Social Security if elected again."

people when they turn 65.

"CMS told us we chose not to continue to have coverage," Mary Lou said, "I can't think of any senior that would do that, especially given all of the health issues many of us face."

In fact, one member who was impacted has terminal cancer, another had a stroke, and yet another has multiple sclerosis.

AFSCME wasted no time in reaching out to CMS to get the problem fixed. Initially the agency was reluctant to provide any relief, but after AFSCME pointed out how disastrous it would be for retirees to be left without insurance coverage, the state agreed to reverse course.

CMS contacted each affected retiree to provide a one-time open enrollment period which ensured no coverage gap, and all retirees who took that opportunity now have coverage once again.

AFSCME Chapter 31 Retirees is on the job for all of us!

Retirement security shrinks

THE NUMBER OF SENIORS IN the U.S. who have access to the three-legged stool of retirement security has shrunk to 6.8%, leading to an increasing reliance on Social Security and a 200% spike in the number of older Americans living in poverty.

Long considered the ideal for a secure retirement, the

three-legged stool includes (1) access to Social Security, (2) a defined benefit pension and (3) individual savings, typically from a defined contribution plan. But in recent decades, the number of retirees who receive pension benefits has significantly declined.

A report from the National Institute on Retirement Security (NIRS) indicates that 40% of older Americans rely on Social Security for 90% or more of their income. Social Security alone is not considered enough for a secure retirement, and it was not intended to stand alone.

The average Social Security benefit in 2019 was \$1,461 a month (\$17,532 a year). Social Security benefits typically replace approximately 40% of pre-retirement income. Most financial planners recommend at least a 70% income replacement rate for retirees. In fact, the analysis by NIRS indicates that if Social Security income had been 10% greater in 2013, there would have been about 500,000 fewer older households in poverty.


Any decrease in Social Security benefits would push even more retired Americans into poverty. That's why so many seniors were deeply alarmed when President Trump recently indicated a willingness to consider cutting Social Security if he wins a second term.

Without defined benefit

pensions, the number of older households receiving public assistance would have increased by almost 19%, the report says, and the number of older persons receiving Medicaid by more than 15%.

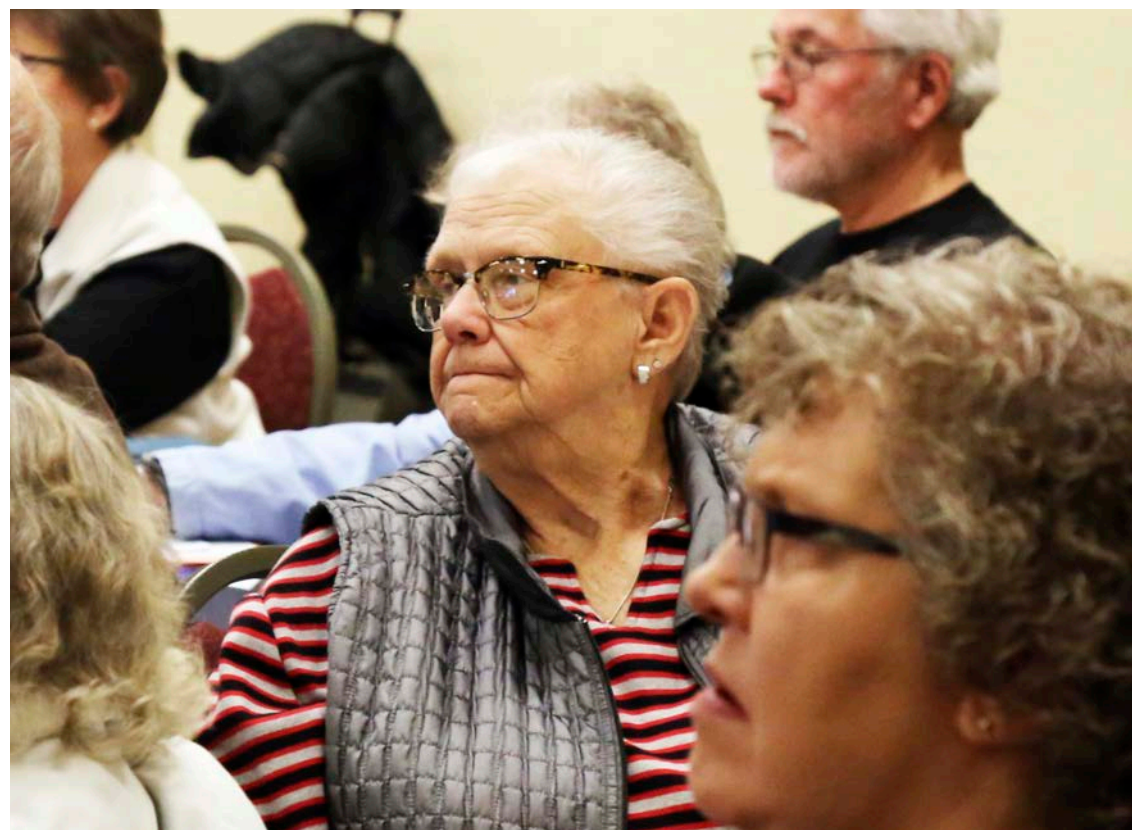
"It is clear from the data that pensions serve an important function in keeping working families in the middle class in retirement," NIRS executive director Dan Doonan said. "We are on a treacherous path for the future with dwindling pensions and proposals to cut Social Security."

Email Alerts!

DON'T MISS ANYTHING! IF YOU don't already receive emails from Chapter 31 Retirees, email mbritton-sipe@afscme31.org to sign up. 

SAVE THE DATE! Rx Affordability Lobby Day March 3 | 11 a.m. | Springfield

We are suffering while pharmaceutical manufacturers make record profits. It's time for our state to ensure all Illinoisans can afford their medications because prescription drugs don't work if people can't afford them! To learn more, contact Retiree Coordinator Maria Britton-Sipes at MBritton-Sipe@afscme31.org.



AFSCME Chapter 31 retirees gathered with Council 31 members at the Feb. 1 PEOPLE conference in Springfield to approve the union's 2020 legislative agenda and make endorsements for the March 17 primary election (see page 6-7).