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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2009-10**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Labor, Elections, and Urban  
Affairs (SC-LEUA)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Medication  
**PASSPORT**  
To Better Health Care



A handy record-keeper for  
over-the-counter and prescription drugs

American Federation of State, County  
and Municipal Employees, AFL-CIO

Gerald W. McEntee  
*International  
President*

William Lucy  
*International  
Secretary-Treasurer*



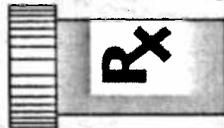
AFSCME Retirees  
1625 L Street, N.W.  
Washington, D.C. 20036  
[www.afscme.org](http://www.afscme.org)

## GET THE MOST FROM YOUR MEDICATIONS

When taken properly, prescription and over-the-counter medications can be lifesavers. But they can also cause serious problems if they're misused. That's why AFSCME created this *Medication Passport*. It will help you get the information you need to medicate wisely.

The next time your doctors prescribe a drug, request that they fill in a section of the *Passport* with pertinent facts, such as the drug's possible side effects or certain foods that might inhibit its effectiveness. Your pharmacist can help you fill in the same information for the over-the-counter drugs (drugs that don't require a prescription, such as Advil or Claritin).

You'll find the *Passport* is a handy tool for tracking the medicines you take. Just *bring it with you* whenever you visit your doctor, dentist or pharmacy and you'll be on your way to a whole new world of better health care.



**PERSONAL INFORMATION**

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Social Security No. \_\_\_\_\_

Drug Allergies \_\_\_\_\_

Blood Type \_\_\_\_\_

Insurance I.D. Numbers:

Medicare Part A \_\_\_\_\_

Medicare Part B \_\_\_\_\_

Other Insurance \_\_\_\_\_

In Case of Emergency Call:

Name \_\_\_\_\_

Phone \_\_\_\_\_

**Your Physicians:**

Name \_\_\_\_\_

Specialty \_\_\_\_\_

Phone \_\_\_\_\_

Other phone numbers:

Pharmacy \_\_\_\_\_

Hospital \_\_\_\_\_

Ambulance \_\_\_\_\_



1

Name of drug \_\_\_\_\_

Prescription

Over-the-counter

Prescribing doctor: \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



2

Name of drug \_\_\_\_\_

Prescription  Over-the-counter

Prescribing doctor \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

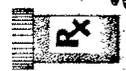
How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



3

Name of drug \_\_\_\_\_

Prescription     Over-the-counter

Prescribing doctor: \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?    Yes    No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?    Yes    No    Patient's choice

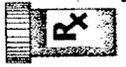
How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



4

Name of drug \_\_\_\_\_

How much to take \_\_\_\_\_

Prescription  Over-the-counter

How often to take it \_\_\_\_\_

Prescribing doctor \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

Date prescribed \_\_\_\_\_

How long to take drug \_\_\_\_\_

Can prescription be refilled?  Yes  No

Other drugs to avoid \_\_\_\_\_

If yes, number of refills \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

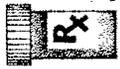
Possible side effects \_\_\_\_\_

Form \_\_\_\_\_

Other cautions \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_



5

Name of drug \_\_\_\_\_

Prescription

Over-the-counter

Prescribing doctor: \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

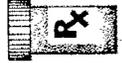
How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



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Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



Name of drug \_\_\_\_\_

Prescription     Over-the-counter

Prescribing doctor: \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?    Yes    No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?    Yes    No    Patient's choice

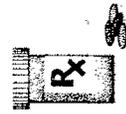
How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



8

Name of drug \_\_\_\_\_

Prescription  Over-the-counter

Prescribing doctor \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

Other cautions \_\_\_\_\_



Name of drug \_\_\_\_\_

How much to take \_\_\_\_\_

Prescription  Over-the-counter

How often to take it \_\_\_\_\_

Prescribing doctor: \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

Date prescribed \_\_\_\_\_

How long to take drug \_\_\_\_\_

Can prescription be refilled?  Yes  No

Other drugs to avoid \_\_\_\_\_

If yes, number of refills \_\_\_\_\_

Foods to avoid \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

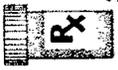
Possible side effects \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Other cautions \_\_\_\_\_

Strength \_\_\_\_\_



Name of drug \_\_\_\_\_

Prescription

Over-the-counter

Prescribing doctor \_\_\_\_\_

Date prescribed \_\_\_\_\_

Can prescription be refilled?  Yes  No

If yes, number of refills \_\_\_\_\_

Drug details:

Color \_\_\_\_\_

Form \_\_\_\_\_

Shape \_\_\_\_\_

Strength \_\_\_\_\_

How much to take \_\_\_\_\_

How often to take it \_\_\_\_\_

Take with food?  Yes  No  Patient's choice

How long to take drug \_\_\_\_\_

Other drugs to avoid \_\_\_\_\_

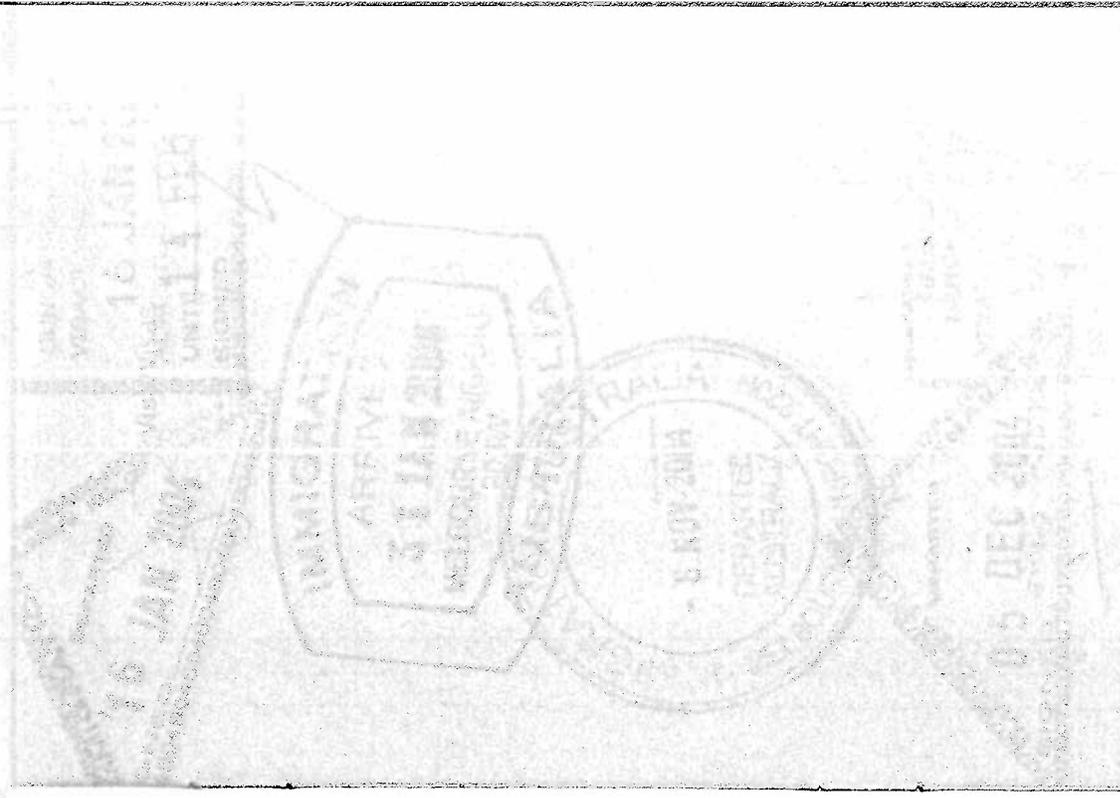
Foods to avoid \_\_\_\_\_

Possible side effects \_\_\_\_\_

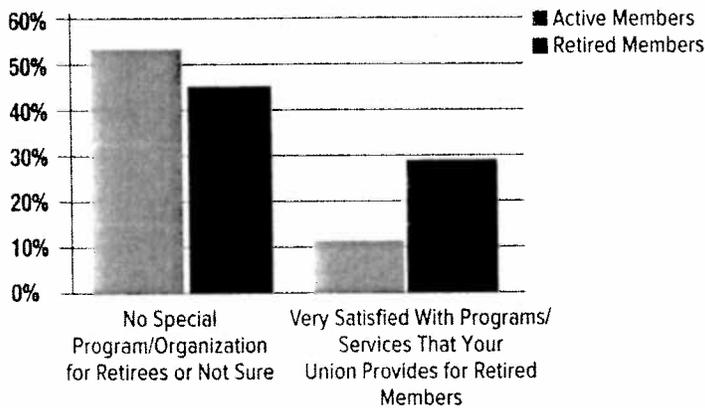
Other cautions \_\_\_\_\_

### When you visit the doctor . . .

- Bring a list of questions you'd like the doctor to answer and be sure you understand what the doctor tells you before you leave the office.
- When a new drug is prescribed, ask the doctor to fill-out a *Passport* page; ask him/her to print clearly so that you'll be able to read the information when you get home.
- Don't leave the doctor's office until you know the following:
  - 1** what the drug is for;
  - 2** when to take the drug;
  - 3** the correct dosage;
  - 4** how to take the drug (before or after meals, etc.);
  - 5** other drugs to avoid because of dangerous interaction;
  - 6** if certain foods will inhibit the drug's effectiveness;
  - 7** whether or not you should drive while taking the drug; and
  - 8** the drug's possible side effects (such as drowsiness, or headache).



## Union Retiree Programs: Awareness is Low



Source: AFL-CIO

## Organizing Union Retirees

Change is already underway. In 2000, the AFL-CIO launched the **Alliance for Retired Americans**, which unites the retired members of all affiliated unions. Every international union has been asked to participate and many have already signed up, including AFSCME. As a result, the labor movement is building the most dynamic grassroots senior citizen network in the nation. If it continues to grow, the Alliance and its participating unions can help ensure labor's strength for decades to come.



### AFSCME Retirees

1625 L Street, NW  
 Washington, DC 20036-5687  
 (202) 429-1274  
[afscme.org](http://afscme.org)

American Federation of State, County and  
 Municipal Employees, AFL-CIO

# Exiting the Workforce

*The retirement of the huge baby boom generation will challenge the labor movement.*





**Retirement:**

## **A Challenge for Labor**

**B**etween 1946 and 1964, Americans gave birth to the largest generation in history, known as “**the baby boom.**” In order to educate the boomers, the country doubled national spending on public schools in the 1950s, 1960s and 1970s. It was a huge national investment that has paid off in a big way. Today, the baby boom generation is at the height of its earning power.

But the baby boomers are getting older. The generation’s vanguard is now over 50 and nearly all the boomers will be eligible to retire within the next 20 years. By 2030, they will **double the size of the current senior population** to 73 million people. Twenty percent of all Americans will be over 65.

The generations just behind the baby boomers are much smaller. Today there are five people age 20 to 64 for every person over 65; by 2030, there will be slightly fewer than three people in the younger age group for every older person.

Can you imagine how this will affect the future strength of the labor movement? **Millions of union members will retire** at a time when there will be fewer younger workers to replace them in the rank and file. The boomers’ retirement promises to be an enormous challenge for organized labor — similar in scope to industrial globalization or the privatization of public jobs.

## **What About AFSCME?**

Compared with most other unions, **AFSCME is way ahead of the game.** We started the AFSCME Retirees back in 1980 and immediately established a strong organizing agenda. As a result, the Retirees has added an average of 10,000 new members every year.

Today, AFSCME counts over 235,000 dues-paying retiree members in 40 retiree chapters and more than 250 local subchapters across the country. Our retiree members are active politically and legislatively, and are also involved in community services. They have made the AFSCME Retirees **the largest organization of public retirees in the nation** and the fastest-growing retiree group in the labor movement.

It is a good thing we have come so far so fast: The average age of AFSCME’s working members is 48 — slightly older than the general workforce. Because **we’ve built a strong retiree structure** that is part of our union’s fabric, AFSCME is in a good position to retain our baby-boom members in the 21st century.

## **The Rest of Labor**

Out of more than 60 international unions, only a dozen or so have retiree programs of any kind. Few of these are as structured as AFSCME’s or as well publicized within their unions.

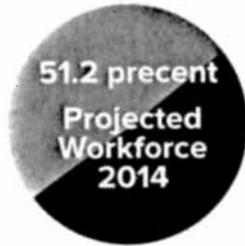
This will have to change in the near future if the American labor movement is to build its strength. Many more unions will need to **make retiree organizing a priority**, and the AFL-CIO will have to encourage every affiliate to step up to the challenge. If we fail to heed this call, organized labor could lose its powerful voice on behalf of America’s working families — not only at the worksite, but also in the halls of Congress and in the political arena.



## The Workforce is Getting Older

69 Million  
Aged 45 +

83 Million  
Aged 45 +



Source: Administration on Aging

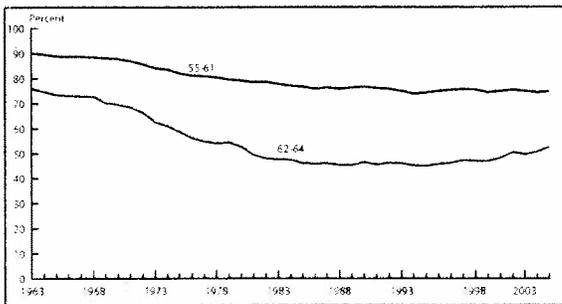
By 2014, 51.2 percent of all workers will be 45 and older.

In the last 20 years, union members age 25-34 declined from 30 percent of membership to 20 percent.

At the same time, union members age 45-54 increased from 20 percent of membership to over 30 percent.

## Workers are Retiring at a Younger Age

**Labor force participation rates of men age 55 and over, by age group, annual averages, 1963-2005**



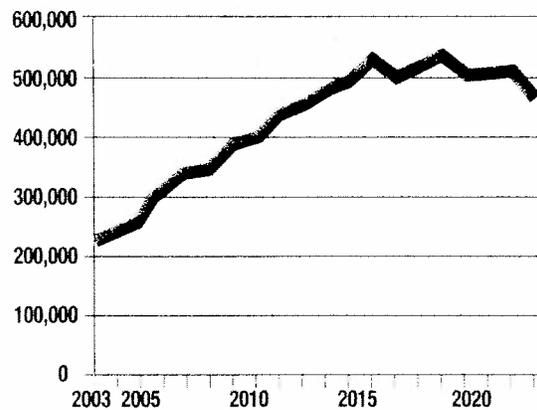
Source: Administration on Aging

## Retirees Today

- Currently, there are more than four million retired members of unions.
- Less than a third of these retirees maintain a relationship with their union.

## Outlook for the Future

### Projected Increase of Union Retirees



Calculations based on 1996 Consumer Population Survey

- By 2010, the number of retiring union members will exceed 500,000 a year.
- Within the next decade, the total number of retired union members will be 5,000,000.
- Significant trends: Union members are retiring earlier and living longer than ever before.



## How to Join

Membership in the AFSCME Retirees is open to all retired members of AFSCME or its affiliates, as well as other public-sector pensioners and spouses. Even if you were never an AFSCME member during your working years, you're eligible to join now, as a member of the AFSCME Retirees.

Membership brings a variety of benefits. In addition to those already mentioned, retiree members receive *AFSCME WORKS* magazine and *PrimeTIME* newsletter. Also, you'll be eligible for a variety of "AFSCME Advantage" benefits that serve your consumer needs, including a discount legal services plan, Health Savings Plan, car rental discounts, the AFSCME Advantage MasterCard (low interest rates, no annual fee) and many other services.

So, start enjoying one of the best retiree bargains around by joining the AFSCME Retirees. We need your help to ensure that public-sector retirees have a strong voice wherever decisions are made that affect your retirement. And you need us for the very same reason.

**Don't wait. Join today!**

# AFSCME Retirees



American Federation of State, County and Municipal Employees, AFL-CIO

Gerald W. McEntee  
*International President*

William Lucy  
*International Secretary-Treasurer*

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592-08

If you're a retired public employee, there's one sure way to **improve your retirement benefits** and have the dignity and security you deserve...





These local AFSCME affiliates provide the retiree chapters with a variety of services – everything from office and meeting space to skilled lobbying assistance. Their expertise in dealing with state legislators and local officials is a definite advantage for AFSCME retirees.

AFSCME is equally experienced in dealing with the U.S. Congress. As your watchdog in the nation's capital, the AFSCME Retirees program works to preserve your federal retirement benefits. That means making sure that seniors receive full Social Security COLAs and finding new ways to hold down soaring health care costs.

Clearly, this is the kind of protection public retirees need ... and only AFSCME clout can provide.

### **The Members**

AFSCME's 1.4 million working members are firmly committed to the retirees, lending extra clout to their legislative efforts. The working members recognize they'll also be retired some day and will need the benefits won by today's retirees. Clearly, *our* strength is *their* security.



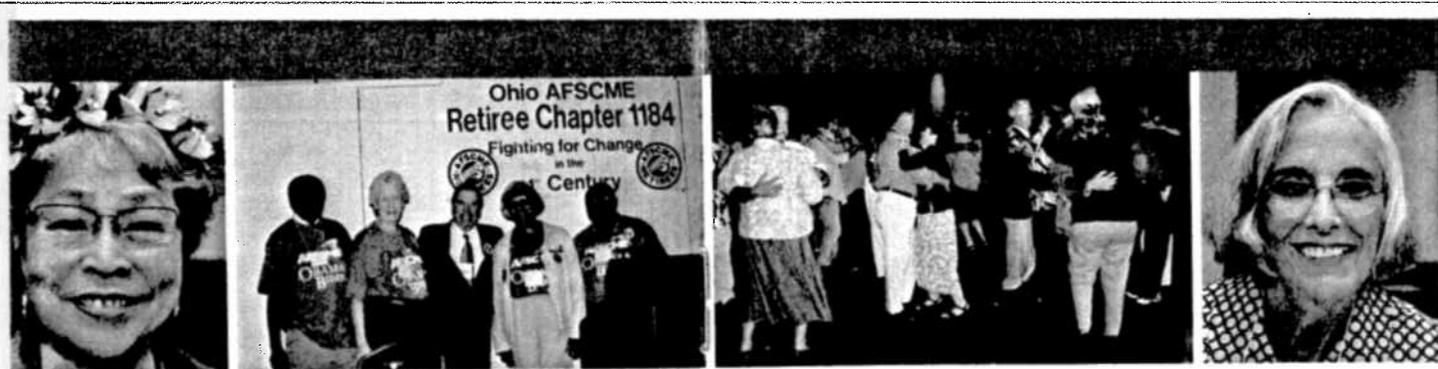
The working members also know that AFSCME retirees have a lifetime of experience in public service. Retirees are an asset to the union, and a valuable resource to their communities and the nation.

AFSCME retiree members come from a wide variety of public-sector occupations, ranging from nurse's aides to architects, sanitation workers to secretaries. Whether white collar or blue, they all want a better life for retired public employees.

### **Enjoying Retirement**

The ability to enjoy retirement is an important part of achieving a "better life." AFSCME retiree members know how to have fun. They get together for holiday parties, plan excursions and vacation trips, and combine their meetings with luncheons or doughnuts and coffee.

For AFSCME retiree members, retiring from a job doesn't mean retiring from life. Many find they're more active now than ever before.



## An Action Agenda

AFSCME retiree chapters lobby Congress, appeal to state legislatures, even fight city hall in the effort to protect and improve retirement benefits. Letters, calls and visits to lawmakers, as well as rallies and town hall meetings, are just some of the member activities that have expanded health care coverage and enhanced pensions.

With help from AFSCME's councils and locals, our retiree chapters have had many success stories. Here are some recent examples:

**New York State:** AFSCME's New York affiliates (CSEA/Local 1000 and Retiree Chapter 1000; Council 82 and Retiree Chapter 82; and District Council 37 and Retiree Chapter 37) worked together to establish a permanent, annual COLA (cost-of-living adjustment) on public pensions.

**New Mexico:** To protect the state retirement system from raids by the state government, AFSCME's New Mexico Retiree Chapter 18 helped win a constitutional amendment that prohibits the use of pension funds for non-pension purposes.

**Ohio:** Statewide Retiree Chapter 1184 – with help from the AFSCME Ohio councils and locals – successfully lobbied for a guaranteed 3 percent annual COLA for every Ohio public pensioner, every year.

**Hawaii & New York City:** With Medicare Part B premiums on the rise, Hawaii Retiree Chapters 152 and 646, as well as New York City Chapter 37, conducted winning campaigns for full Part B reimbursement to public retirees.

**Illinois:** The negotiating skill of AFSCME Council 31 helped Retiree Chapter 31 secure employer-paid dental coverage for state retirees.

**Los Angeles:** In addition to employer-paid health care coverage for retirees and spouses, AFSCME Retiree Chapter 36 (with Council 36) recently won paid health care coverage for surviving spouses of city retirees.

**Rhode Island:** Thanks to a lobbying campaign by Retiree Chapter 94, the state nearly doubled the retiree death benefit.

## The AFSCME Advantage

While there are other national organizations that fight for retired Americans, the AFSCME Retirees has a distinction. We fight for the rights of public-sector retirees. On the national, state and local levels, we're the only retiree organization that's part of AFSCME, the leading public-sector union in the United States. That means we have the full support of thousands of AFSCME councils and local unions all across the country.



## **...Organize! And AFSCME can help**

A career in public employment is something to be proud of. It means you've earned the right to a secure and dignified retirement.

But real security is only possible if you're willing to defend your rights and protect your interests. That's why you owe it to yourself to stay involved.

The American Federation of State, County and Municipal Employees (AFSCME), with 1.6 million working and retiree members, will help you stay involved. From our headquarters in Washington, DC, the AFSCME Retirees program is protecting Social Security and Medicare. And we're promoting new legislation on such issues as public-pension safeguards and coverage for long-term care.

AFSCME retiree members are a big part of this effort. Together, they form a nationwide grassroots network dedicated to fighting for improved public-sector pensions and retirement benefits.

Now's the time to join the fight and help build a strong and effective organization.

## **AFSCME Retiree Chapters: Our Strength, Your Security**

Most of AFSCME's retiree members belong to one of our many retiree chapters around the country. The chapters hold regular meetings and social events, and sponsor a variety of education and service programs.

Membership in an AFSCME retiree chapter is a good way to maintain ties with former co-workers, stay up to date on current retirement issues and become more involved in the community.

AFSCME retiree chapters are independent affiliates of AFSCME. They elect their own officers, adopt their own constitutions, set their own policies, and establish and control their own budgets. Also, the chapters elect their own delegates to AFSCME's biennial national convention and are all represented on the governing AFSCME Retirees Council.

Most important, AFSCME retiree chapters give public-sector retirees a chance to work together on common goals, such as pension increases and new health care benefits. Whenever benefits are under attack, chapter members go into action, writing letters to lawmakers and staging public demonstrations.

# Our Retiree Health Care Benefits

- We Need Them
- We Earned Them
- We'll Fight to Protect Them



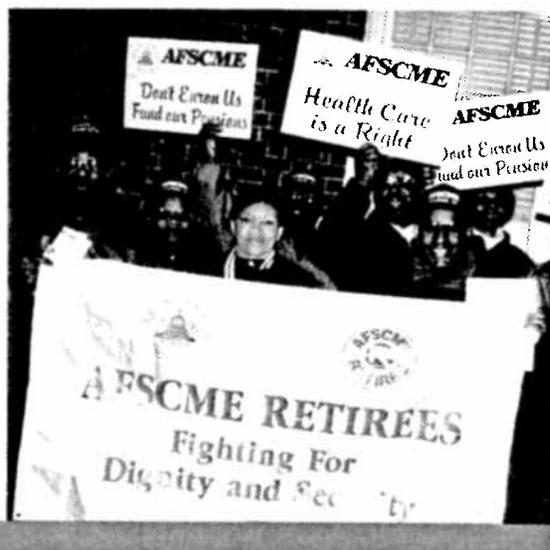
# The Fight is On

## Retiree Health Benefits Are Under Attack

As the population ages and the baby boomers head into retirement, the nation seems to be entering a new era of retirement *insecurity*. First came efforts to privatize Social Security. Next, the stock market collapsed. Then came attacks on traditional pension plans.

Employer-paid retiree health benefits – critical to old-age security for thousands of AFSCME retirees – have also been under attack, largely due to rising costs. Two big reasons for higher costs are longer life spans and the growing number of worker retirements.

As people age, they tend to develop chronic conditions, such as hypertension, arthritis and diabetes, which require treatment on a regular basis, including expensive prescription drugs. Also, older people are more likely to be hospitalized due to an acute or life threatening illness, such as cancer, heart attack or stroke.



But the biggest reason for cost increases is totally unrelated to age. Retiree coverage is simply one more victim of the same double-digit inflation that has plagued American health care for years.

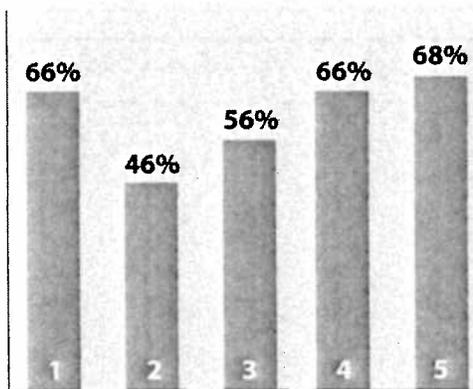
## Fighting Cuts in State After State

None of this information is news to AFSCME councils, locals and retiree chapters. They've been fighting threats to retiree health care all across the country - in California, Hawaii, Illinois, Maryland, New York and Ohio. In these and other states and localities, employers have tried, and often succeeded, in shifting costs to retirees.

They've done it by increasing retirees' premiums and other co-payments; reducing benefits; raising the age of eligibility for retiree health care; and increasing the years-of-service needed to qualify.

Public employers' concerns over higher health costs have been reinforced by new accounting rules, which require them to calculate their costs for all *future* retiree health care. Focus on the size of these long-range obligations has triggered new and *unreasonable* efforts to cut benefits.

Percentage of States That Increased Retiree Cost-Sharing, 2004-2008



1. Retiree share of premiums
2. Retiree deductible
3. Co-pay amounts
4. Drug co-pays
5. Spouse premiums

Source: Survey by Center for State & Local Government Excellence (Retiree Health Care in the American States), December 2008.

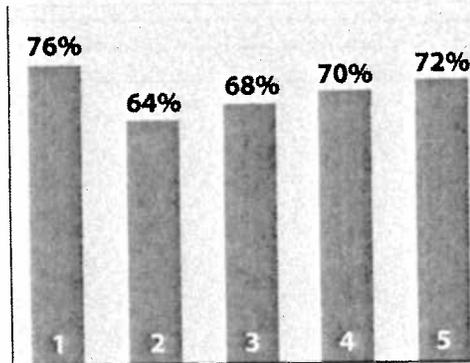
## The GASB Monster

In the past, most public employers published only their current-year expenses for retiree benefits, which most fund on a pay-as-you-go basis. But starting in 2007, they are required to show *all* retiree health care costs on their books, including future obligations for today's employees. Even though most of the money won't be paid out for decades, employers' full liability must be estimated and printed on their balance sheets.

The new rules, set by the **Governmental Accounting Standards Board**, known as GASB (gazbee), are followed by virtually all states and localities. When similar rules were established for private sector employers in the early 1990s, a startling number of companies canceled their retiree health benefits. Most of them feared their stock prices would fall if millions in unfunded obligations suddenly appeared on financial statements.

The GASB rules have caused the same sort of shock waves in the public sector. Though GASB rules don't require jurisdictions to actually pre-fund future benefits, governments believe that merely showing them on their books could alarm taxpayers and lower bond ratings.

**Percentage of States that Intend to Increase Retiree Cost-Sharing, 2008-2012\***



1. Retiree share of premiums
2. Retiree deductible
3. Co-pay amounts
4. Drug co-pays
5. Spouse premiums

\* Very likely or somewhat likely.

Source: Survey by Center for State & Local Government Excellence (Retiree Health Care in the American States), December 2008.

When Maryland assessed its retiree health care liability, it claimed that long-term obligations amounted to over \$20 billion — more than the state's annual budget. Michigan estimated its obligations to be nearly \$30 billion.

The city of Duluth, Minn., claimed its total retiree health care obligations would be approximately \$178 million — high relative to its annual budget. But the mayor told *The New York Times* that "it's not the fault of the workers. The people here who've retired did earn their benefits."



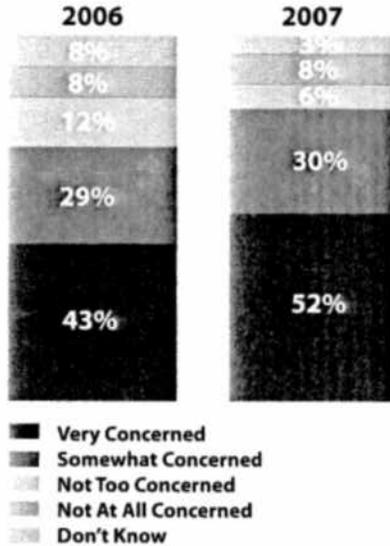
## **Media, Employers Overstate GASB Problem**

While most media stories paint the issue as a crisis, AFSCME thinks the GASB panic is overstated and should be put in perspective. "Retirees need health care coverage, that's a fact," said AFSCME Pres. Gerald W. McEntee. "Public employers should set an example — protecting workers rather than reserving even more resources for tax cuts and other advantages for the wealthy.

"If governments abandon their employees on health care and pensions, can any worker expect better treatment? In my estimation, that's the death of retirement security in America." According to McEntee, taxpayers should recognize this and join in solidarity with public employees to protect workers' rights.

"Governments have been managing their obligations pretty well up to now, and GASB is only requiring book-keeping changes. So if they try to use GASB to justify cutting retiree health care, we will fight them all the way," he said.

Among Public Employers Familiar with GASB, Percentage Concerned About Financial Impact of GASB Rules



Source: CMWF/NORC Survey of Retiree Health Benefits: 2007; CMWF/HSC Survey of Retiree Health Benefits: 2006.

## Good Reasons to Preserve Public Retiree Health Care Benefits

- Workers **sacrificed wages** in order to win retiree health benefits. They earned them and they deserve them.
- Politicians promised the benefits. They could have funded them in advance, like pensions, but decided not to. Now, it's their obligation to find a way to fulfill their promises – by **raising revenue** if necessary.
- Unfunded future obligations occur in many government functions, including Medicaid and prisoner costs, but

GASB doesn't address them. Retiree health care shouldn't be singled out for special rules.

- If GASB set standards that include the value of roads, stadiums and buildings on government balance sheets, those assets would **offset long-range obligations** for retiree health care.
- GASB methods tend to **overstate liability for health care** by making unfounded assumptions on future inflation and benefit levels, which are almost impossible to predict over the long term.

"New York, Maryland and several other states have authorized commissions to study retiree health coverage," said President McEntee. "These commissions are focused on reducing costs, which often means cutting benefits. The national union and AFSCME affiliates around the country will be watching them carefully in order to protect retiree members."





**AFSCME Retirees**

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470-09

# Prime Time

News & Information for AFSCME Retiree Members

## Chapters in Action

### AFSCME Retiree Council



The AFSCME Retirees Council held its annual meeting on July 25-26, the weekend before the International Convention in San Francisco, with discussion centering on chapter activity over the previous year. Representatives of the union's 39 affiliated chapters discussed their organizing projects, efforts to protect and improve members' retirement benefits, and activities during the Presidential primary campaign.

All the officers were re-elected: Chair Jerry LaPoint (Wisconsin Chapter 7); Vice-Chair Gary Tavormina (New York Chapter 82) and Secretary Loneste Blackwell (Ohio Chapter 1184).

AFSCME Pres. Gerald W. McEntee and Sec.-Treas. William Lucy were the first to address the Retirees Council, and both stressed the importance of the November elections for unions, workers and retirees. Political Action Director Larry Scanlon provided an update on races around the country and Legislation Director Chuck Loveless described the passage of a critical Medicare bill (H.R. 6331) in July. Also, the Department of Research and Collective Bargaining Services led a discussion on AFSCME's campaign for affordable health care.

Other business included a report by the Retirees Council's organizing committee and a presentation by Florida retiree coordinator Irwin Scharfeld on AFSCME's Florida Retiree Organizing Project.

Following the Annual Meeting, chapter representatives on the Retirees Council all served as delegates to the International Convention and sat at the retirees' table on the convention floor.

### Alaska Chapter 52

More than 100 retirees attended Chapter 52's Political Education Conference in September. The conference, held at the Anchorage Senior Center, was a day-long event that included panel discussions and addresses from candidates for federal, state and local offices.

Special guests included Mark Begich (D), Anchorage mayor and candidate for U.S. Senate (pictured below), and Ethan Berkowitz (D), candidate for Alaska's only congressional seat. A panel discussion on "Alaska Politics, the Current Political Landscape in Juneau" and "Alaska Retiree & Public Employee Issues" was conducted by a group of state senators and representatives. Another



Continued on page 2

## AFSCME Retirees Campaign for Barack Obama

Across the nation, AFSCME retirees are out in force, working to elect Barack Obama to be the next President of the United States. Following are just a few examples of retiree chapter activity on behalf of the AFSCME-supported candidate:

★ **Illinois Retiree Chapter 31:** Recognizing that Obama's long-term ties there meant Illinoisians needed no convincing, Chapter 31 organized three retiree phone banks to call AFSCME retirees in other mid-western states, urging them to vote for the Illinois senator.

★ **Ohio Retiree Chapter 1184:** When Chapter 1184 learned there was a critical shortage of poll watchers in the Cleveland area, it sent letters to 2,800 local area members, urging them to sign up. On Election Day, poll watchers will make sure rules are followed at each polling place, so that every eligible voter is able to cast a ballot.

★ **Florida Organizing Project:** Recognizing that Florida is a critical swing state for the Presidential election, Florida retiree members of New York City Chapter 37 and other AFSCME chapters have scheduled eight regional meetings to recruit election volunteers. The meetings feature discussions with Obama-campaign representatives and the staff of congressional and state legislative campaigns.

Barack Obama follows in the long tradition of Democratic Presidents, who've fought for the economic security of retirees and working families. That tradition includes FDR, who created Social Security and licked the Great Depression. It counts JFK and LBJ, who gave us Medicare. It also brought us Harry Truman and Bill Clinton – two great champions of health care for all. Barack Obama stands with them, and he'll build on their legacies.

### IN CONTRAST, JOHN MCCAIN STANDS WITH GEORGE W. BUSH – A FAILED PRESIDENT:

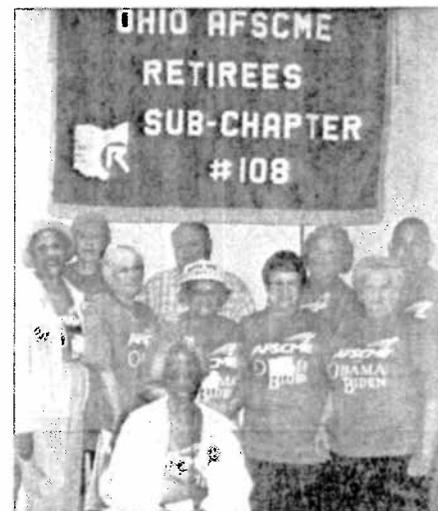
• McCain agrees with Bush's plan to privatize Social Security and is open to raising the retirement age and reducing benefits (*The Wall Street Journal*, 3/3/08). McCain calls Social Security a "disgrace" (Denver speech, 7/7/08) but collects \$23,000 a year in benefits (*San Francisco Business Times*, 7/17/08).

• McCain says he'll tax employer-paid health benefits, so if you're a worker or retiree with an employer plan, you'd have to pay taxes on its full value – generally thousands of dollars a year. The tax is part of his plan to discourage employer-group coverage and replace it with a combination of individual insurance and tax credits

(*JohnMcCain.com*). Many say his tax credits are inadequate and the plan will actually increase the number of uninsured Americans (*Health Affairs*, 9/12/08).

• McCain thinks only **low-income** seniors should be eligible for Medicare prescription drug coverage and would like to see Part D as a means-tested program (*The Hill*, 1/26/08). He's voted to increase seniors' **Part B premiums** (S. 1932, vote #287, 11/3/05) and to **raise the Medicare eligibility age to 67** (S. 947, vote #12, 6/24/97).

• McCain has missed important Medicare votes in the Senate. Last year, he missed the vote to let Medicare negotiate with drug makers for lower prices (S. 3, 4/18/07). In July, McCain was the **only Senator who didn't show up to vote on the Medicare improvements bill** (H.R. 1633), which added preventive benefits, reduced mental health copays and stopped unfair fee cuts for doctors.



Columbus-area retirees attending the Ohio Retiree Chapter 1184 Convention in September proudly wear their "AFSCME for Obama-Biden" T-shirts. To get a T-shirt, retirees pledged to volunteer for AFSCME's election campaign.

### BARACK OBAMA WILL FIGHT FOR YOU AND YOUR FAMILY:

• Obama says **NO to privatizing Social Security, NO to raising the retirement age and NO to cutting benefits**. To strengthen Social Security for the future, he'll require the highest earners (over \$250,000 a year) to pay their fair share of payroll contributions (*Boston Globe*, 6/14/08).

• Obama has a plan to control rising health care costs and ensure affordable coverage for every American. (*Health Affairs*, 9/12/08). Good coverage will be guaranteed by employers or by public pools, and sufficient subsidies will be available to make it affordable for individuals and families (*barackobama.com*).

Continued on page 2

panel, on "Medicare and Health Benefits," was made up of Anchorage-area health care advocates and experts. In addition, AFSCME Retirees Director Steve Regenstreif spoke on the union's campaign to repeal the Government Pension Offset and Windfall Elimination Provision.

**Chapters 1199C & 1199J**

On Sept. 24, more than 500 retiree members arrived on buses in Atlantic City for the annual joint education conference of Philadelphia Retiree Chapter 1199C and New Jersey Retiree Chapter 1199J.

The retirees heard from International Vice Pres. Henry Nicholas – president of the National Union of Hospital and Health Care Employees (NUHHCE), and from Susan Cleary, president of District 1199J, NUHHCE. In addition, International Union staff provided an update on Medicare legislation and spoke about the importance of the senior vote in the upcoming elections.



The special guest speaker was the Majority Leader of the New Jersey Assembly, Assemblywoman Bonnie Watson Coleman (pictured addressing the

crowd), who gave a rousing endorsement of Presidential candidate Barack Obama and urged the retirees to volunteer for union phone bank operations and other get-out-the-vote activities.

**Ohio Chapter 1184**

More than 100 delegates from subchapters across the state attended the biennial convention of Ohio Chapter 1184 in September. Pres. Loneste Blackwell and all of her fellow officers were re-elected by acclamation.

The convention's keynote speaker was Pres. Gerald W. McEntee (below), who looked out over a roomful of delegates wearing green T-shirts that said "AFSCME for



Obama-Biden." "We often say that an upcoming election is the most important one of our lifetimes," he told them, "and we say it so often that sometimes it may seem like we're crying wolf. Well, Brothers and Sisters, this year the wolf is at the door."

Other speakers included Council 8 Pres. John Lyall (an International vice president); Kathleen Stewart, secretary-treasurer of OCSEA/AFSCME Local 11; and Pete Talley, secretary-treasurer of the Ohio AFL-CIO. Talley spoke about labor's election protection project, "My Vote, My Right."



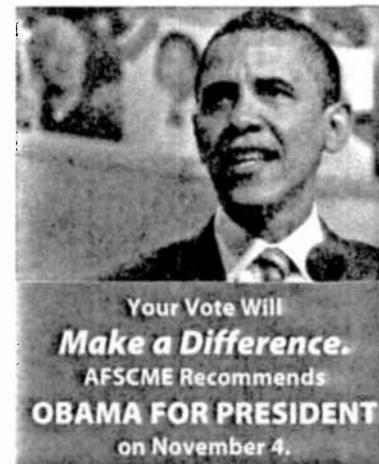
At the convention banquet, the Harvey Hill Award for outstanding leadership went to a husband and wife team of retiree activists: John and Bonnie Bell (Clarke (pictured above), with presenter Pres. Loneste Blackwell in center. John is the executive board member for Region V and Bonnie is vice president of the statewide chapter.

Continued on page 3

- Obama wants Medicare to negotiate with the drug companies – using its buying power to get lower drug prices for seniors ([barackobama.com](http://barackobama.com)).

- Obama wants to cancel the big subsidies paid to private Medicare Advantage insurance companies – payments that cost the Trust Fund billions of dollars, increase Part B premiums for seniors and wind up as record profits for private insurers (Presidential Candidates Debate, 9/27/08). Unlike the Bush administration, Obama won't favor insurance companies over seniors.

- Obama will eliminate federal income taxes for seniors with incomes under \$50,000 a year. He thinks people who've contributed to our nation all their lives finally deserve a break (*Columbus Dispatch*, 6/13/08).



## Obama vs. McCain

### On Issues of Special Concern to Retirees, Senator Obama has an Unbeatable Voting Record

According to the Alliance for Retired Americans, Barack Obama has voted on behalf of retirees 100 percent of the time in the U.S. Senate. John McCain's score is only 17 percent. The chart below compares the two Presidential candidates on specific Senate votes. Take a look and see for yourself.

**Retiree Issue**

**Barack Obama      John McCain**

**PRIVATIZE SOCIAL SECURITY:**

Put money set aside for guaranteed Social Security benefits into private investment accounts that rely on the stock market. (S. Con. Res. 83, Roll Call #68, 3/16/06)

VOTED NO	VOTED YES
----------	-----------

**CANCEL MEDICARE ADVANTAGE SUBSIDIES:**

Overpayments to Medicare Advantage private insurance plans drain \$10 billion a year from Medicare and increase seniors' Part B premiums; money goes directly to insurance company coffers and record profits. (S. Con. Res. 21, Roll Call #103, 3/23/07)

VOTED YES	VOTED NO
-----------	----------

**FIX MEDICARE PART D – NEGOTIATE PRICES:**

Part D drugs cost more because Medicare is barred from negotiating with drug makers for lower prices; VA negotiates and gets the lowest prices for veterans. (S. 3, Roll Call #132, 4/18/07)

VOTED YES	NO VOTE / NO SHOW
-----------	-------------------

**PROTECT PENSIONS IN CORPORATE BANKRUPTCY:**

Give employees and retirees priority in bankruptcy claims for the value of company stock held in employee pension plans. (S. 256, Roll Call #25, 3/3/05)

VOTED YES	VOTED NO
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**FUND VETERANS' HEALTH CARE:**

Increase funding by \$1.7 billion. (H.R. 1591, Roll Call #126, 3/29/07)

VOTED YES	VOTED NO
-----------	----------

*"The people in power today are telling us that instead of sharing the risks of the new economy, we should shoulder them on our own. In the end, this is what the debate over Social Security is truly about: After a lifetime of hard work and contributions to this country, do we tell seniors that they're on their own...? Is the dignity of life in their latter years their problem, or one we all share?"*

— Barack Obama  
National Press Club, 4/26/05



## Obama's Neighbor-to-Neighbor Program

The Obama Presidential campaign has an innovative grassroots program that gives supporters the opportunity to reach out to undecided voters in their community. "Neighbor to Neighbor" is based on the belief that everyday Americans, when organized and focused, can change the country.

Through this home-based program, supporters can connect with potential Obama voters by knocking on their neighbors' doors or by calling them from their home phones. To participate, computer savvy retirees can log onto the website (<http://my.barackobama.com/n2n>), type in your location and receive a short list of voters in

the neighborhood that are assigned to you alone. Every neighbor on your list is considered to be either a swing or undecided voter, who you'll try to sway to Obama's corner.

In addition to your list of names, you'll find a script to use in your conversations, a customized flyer for distribution and directions for reporting back your results. The site also has support services in case you have questions or need guidance. If you aren't computer savvy yourself, don't give up. Perhaps a friend or relative can help you out and you can both do your part to help send Barack Obama to the White House.

## Medical Bills Burden Working Families

According to two newly released reports, the cost of health care is posing an ever-larger burden on working families. As the responsibility for paying out-of-pocket expenses increases, employees are finding it difficult to pay their medical bills.

A survey published by the Kaiser Family Foundation noted that employees are paying significantly more for medical insurance. Their share of the costs for family coverage has more than doubled since 1999 - from an average \$1,543 to \$3,354. During that span, general inflation was only 29 percent and workers' wages rose by only 34 percent. The survey also revealed that high deductibles are becoming commonplace, with 18 percent of all covered employees now facing annual deductibles of

at least \$1,000 - up from 12 percent the previous year.

With medical bills on the rise, the Center for Studying Health System Change reported that approximately one in five families had difficulties paying them in 2007. Of these families, more than half said they'd borrowed money to cover their expenses, with nearly 20 percent having considered bankruptcy as a direct result of their medical bills.

"It's hitting both the insured and the uninsured, and it's hitting middle-class families," said Karen Davis, president of the Commonwealth Fund, a nonprofit research organization that financed the center's report. She said that estimates show that the majority of those who have difficulty paying medical bills have insurance coverage.

## Protect Your Voting Rights

In the 2004 elections, voting rights violations deprived thousands of individuals the chance to vote. This year, the AFL-CIO's Voting Rights Protection Program, known as "My Vote. My Right," is working to ensure that votes cast at the ballot box are properly counted. Here's the AFL-CIO's list of steps you can take to protect your rights on Election Day.

- ★ Bring identification to the polls, preferably a government-issued photo ID with the same address as your voter registration.
- ★ Ask for help from poll workers if you have a question or need assistance.
- ★ Make sure you stay until your vote is cast. If you are in line when the polls close, you are entitled to vote, so don't leave the line.
- ★ If your right to vote is questioned, you may be offered a provisional ballot. If so, ask if you can cast a regular ballot if you provide additional ID or go to a different polling place. If no alternative is available or practical, cast a provisional ballot and follow up after Election Day to make sure the ballot was counted.
- ★ If you have a voting rights problem and can't settle the issue with the chief election official or a voting rights volunteer at the polls, call the toll-free nationwide Election Protection Hotline: 1-866-OUR-VOTE. The hotline is sponsored by a large coalition of organizations that promote voting rights, including the AFL-CIO.

## Hot Races Around the Country

Following is a list of some of this year's most hotly contested elections for statewide office. Please note the names of the candidates supported by AFSCME.

### ELECTIONS FOR U.S. SENATE

- Alaska:** AFSCME supports Mark Begich (D)
- Colorado:** AFSCME supports Mark Udall (D)
- Kentucky:** AFSCME supports Bruce Lunsford (D)
- Maine:** AFSCME supports Tom Allen (D)
- Minnesota:** AFSCME supports Al Franken (D)
- Mississippi:** AFSCME supports Ronnie Musgrove (D)
- New Hampshire:** AFSCME supports Jeanne Shaheen (D)
- New Mexico:** AFSCME supports Tom Udall (D)
- North Carolina:** AFSCME supports Kay Hagan (D)
- Oregon:** AFSCME supports Jeff Merkley (D)
- Virginia:** AFSCME supports Mark Warner (D)

### ELECTIONS FOR GOVERNOR

- Delaware:** AFSCME supports Jack Markell (D)
- Indiana:** AFSCME supports Jill Long Thompson (D)
- Missouri:** AFSCME supports Jay Nixon (D)
- Washington:** AFSCME supports Gov. Christine Gregoire (D)

Retiree members packed the union hall at New York City's District Council 37 for the Retirees Association's 2008 Education Conference. More than 300 retirees attended the fifth annual event, which featured an all-day program of panel discussions and addresses by local officials.

The conference theme, "Leading the Way for All Retirees," conveyed the Retirees Association's emphasis on progressive advocacy. "With the November election approaching, the conference was a wonderful opportunity to bring our members up-to-date on the crucial issues facing us," said Pres. Stuart Leibowitz.



Speakers included U.S. Rep. Anthony Weiner (D-NY), pictured above; Ed Ott, executive director of the New York Central Labor Council; New York Sen. Diane Savino; and City Council members Joseph P. Addabbo, Jr., Vincent Gentile, Eric Goia and John D. Liu. AFSCME Legislation Dir. Chuck Loveless discussed recent issues in the U.S. Congress. Several officials of DC 37 locals also attended the event.

## ConsumerTIME

### It's Coming: The Big Switch to Digital TV

There's been a lot of ballyhoo lately about America's switch from analog to digital television (DTV), but many people still don't know how they'll be affected. On February 17, 2009, federal law requires that all full-power television stations stop broadcasting in the old analog format and broadcast only in the newer digital format. Here is what you need to know to prepare for the transition.

#### WHY ARE TV STATIONS SWITCHING TO ALL-DIGITAL?

The all-digital conversion was mandated by Congress to free up frequencies that can be used for public safety communications. But consumers will also benefit. DTV's more efficient technology will improve picture and sound quality, while its multiple broadcast streams - also known as multicasting - will expand programming options. To enjoy the benefits and not lose all television reception, however, millions of households must take steps to receive a digital signal.

#### WHO NEEDS TO TAKE ACTION?

If you pay for TV service (subscribe to cable or satellite) or own a TV set with a built-in digital tuner, you will not have to take further action. But for those who receive free over-the-air broadcasting through an antenna - and this group includes more older Americans than other ages - you will have a few options to consider:

#### • OPTION 1: PURCHASE A DTV CONVERTER BOX.

The converter box is an easy-to-install electronic device that hooks up to your analog TV. It converts the new digital signal to analog, so you'll be able to view digital programming. The National Telecommunications and Information Administration (NTIA) is issuing each household up to two \$40 coupons to help defray the cost of converter boxes, which retail for \$40-\$75. The coupons are valid for eligible converter boxes at participating retailers.

For more information on the coupon program, visit NTIA's website: [www.ntia.doc.gov/dtvcoupon](http://www.ntia.doc.gov/dtvcoupon) or call 1-888-388-2009 (TTY: 1-877-530-2634).

• **OPTION 2: PURCHASE A TV SET WITH A BUILT-IN DIGITAL TUNER.** As of March 1, 2007, the law requires that all TV reception devices imported to the United States or shipped via interstate commerce must contain a digital tuner. Therefore, every television sold today has a digital tuner, unless it's clearly identified as not having one. If your current analog TV works well, purchasing a new digital set is a more expensive option than the converter box. It should be considered only if you were already in the market to upgrade or replace your TV set.



# Public Pensions Survive Financial Chaos

- **OPTION 3: SUBSCRIBE TO CABLE OR SATELLITE.** For a monthly fee, cable or satellite services provide a digital signal plus lots of extra TV channels. Consider this option if you're interested in having more viewing choices on your analog TV. ■

## NewsMakers

**CALIFORNIA:** In June, Retiree Chapter 57 executive board member Jim Prola won election to the City Council of San Leandro, Calif. He's a 30-year resident of San Leandro and a longtime AFSCME activist.

Prola retired from the East Bay Municipal Utility District, where he was a water and wastewater analyst. He's a member of the Alameda County



Democratic Central Committee, the California State Democratic Central Committee and the Statewide Steering Committee of the California Alliance for Retired Americans. Also, Prola is an advocate for San Leandro schools and volunteers as a sports coach for local youth.

Endorsed by the San Leandro Teachers Association, the San Leandro Police Officers Association and many other local organizations, Prola ran on a platform that emphasized public safety, good schools and smart growth (creating walkable communities).

Prola now serves on several committees of the city council, including the Airport Committee and the City and San Lorenzo Unified School District Liaison Committee.

The recent crisis in financial markets shines a bright light on the real value of guaranteed Social Security checks and traditional defined-benefit pension plans. Once you qualify for a benefit, it's as good as gold. You can't lose your shirt in the stock market as you can with a private investment account.

"Public pension funds are intentionally designed to withstand market fluctuations," said Terry Slattery, president of the National Association of State Retirement Administrators (NASRA). "Retirement benefits for the nation's public workforce are safe and secure because they are highly diversified and invested with a focus on the long term."

Following are some equally reassuring statements from public pension plans around the country:

**Pennsylvania State Employees Retirement System:** "First and most importantly," said Exec. Dir. Leonard Knapp, "the problems in the financial markets will not have any effect on your SERS retirement benefit. ... The benefit to which you are entitled is determined by your years of service, class of service and final average salary. Investment performance - good or bad - is not a factor."

**California Public Employees Retirement System:** "Our investment portfolio is well-diversified, with investments in public and private companies, real estate, bonds and other fixed income. Since we don't have all our eggs in one basket, we can soften stock market losses by investments in other asset classes."

**Minnesota State Retirement System:** "Retirees and active members should feel assured that their benefits and pensions are safe and will be paid. Retiree benefits are not adjusted downward because of investment losses. The MSRS General Plan was in a strong financial position prior to the market decline - over 90 percent funded. The

strong funding will help us to remain financially secure during this period of declining markets."

**New York State Common Retirement Fund:** "We don't place all our eggs in one basket," said State Comptroller Thomas DiNapoli. "The fund is well diversified across multiple asset classes, investment types, markets and industries. This diversification has served us well. During the 2002-2003 market downturn, although the fund lost \$31 billion in value, our diversified approach enabled us to recover in less than two years and retirement benefits were never in jeopardy."

**Maryland State Retirement and Pension System:** "The Board of Trustees wants to reassure you that your pension benefits are secure. Current events in the financial markets are certainly cause for concern. But, as members of a 'defined benefit' plan, the state of Maryland has a legal obligation to pay your benefits as they come due."

**Hawaii Employees Retirement System:** "The board and staff here at ERS have worked very hard to get the portfolio positioned for days like this," said Chief Investment Officer Rod June. "Luckily for us our portfolio is highly diversified, so we can ride out these ups and downs without too many problems."



## Study Says Millions Hit Doughnut Hole

In a recent study, the Kaiser Family Foundation found that one in four Medicare prescription-drug benefit enrollees in 2007 reached the gap in coverage known as the "doughnut hole." In 2007, enrollees hit the gap after expending \$2,100 in total drug costs. They were then required to pay 100 percent of costs up to \$3,850. At that point, a catastrophic benefit kicked-in and covered 95 percent of additional costs.

The study, "The Medicare Part D Coverage Gap: Costs

and Consequences in 2007," was conducted by Georgetown University, the University of Chicago, and Kaiser. The results showed that patients who reached the doughnut hole were forced to alter or discontinue their prescription drug use due to the increased costs - 15 percent stopped drug therapy for their condition, 5 percent switched to another medication, and 1 percent reduced the number of drugs they were taking.

According to Kaiser CEO and Pres. Drew Altman, the unusual coverage gap was created to make sure the benefit fit within congressional budget constraints. "But if a new President and Congress consider changes to the drug benefit," Altman says, "it will be important to keep in mind that the coverage gap has consequences for some patients with serious health conditions."

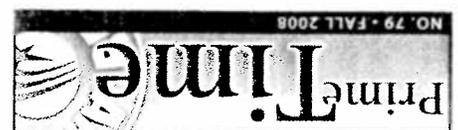
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# Prime Time

News & Information for AFSCME Retiree Members

## Chapters in Action

### Washington Chapter 10



We're celebrating a recent victory for AFSCME Chapter 10 – the Retired Public Employees Council of Washington. For many years, the Public Employees Retirement System (PERS) permitted Retiree Chapter 10 to recruit retirees through its database. Then, a series of roadblocks were suddenly put in the way and it was clear that legislation was needed to restore the chapter's organizing rights.

That's when the Chapter went into action with a statewide legislative campaign. In April, it paid off, with the enactment of a bill that gives official organizations of public retirees access to potential members, while maintaining the confidentiality of state pension lists. Shown above is the bill signing by Gov. Christine Gregoire (center). She is flanked by the bill's prime sponsor, Sen. Karen Keiser (2nd from left), along with Chapter 10 Pres. John O'Brien (5th from left), Exec. Dir. Cassandra de la Rosa (3rd from right), and lobbyist Bev Hermanson (4th from left).

### New York/CSEA Chapter 1000



CSEA recently won a \$3.6 million class action lawsuit on behalf of the retired employees of Westchester County. The court ruled the county had unilaterally and illegally diminished retiree health insurance benefits for those who retired between 1993 and 2004.

The suit acknowledged that the contract CSEA and the county negotiated in 2004 included higher co-pays and deductibles for current employees and future retirees. On its own, however, the county decided to apply the higher cost-sharing to those who were *already retired*. The suit said that Westchester County could not do this because it violated the health insurance coverage authorized in previous contracts, going back to 1993. The judge agreed.

CSEA Westchester County Unit President Jack McPhillips described the ruling as a "huge victory" for CSEA retirees. But, now there's a new concern for CSEA retirees: In March, an executive order issued by New York Gov. David Patterson established a task force to review the state's retiree health coverage.

Photo above shows members of CSEA Retiree Local 902 attending AFSCME's New York statewide lobby day on March 31. President Olga White is 4th from left.

Continued on page 2

## AFSCME's Campaign for Affordable Health Care

With the election of President Barack Obama last November, long-time advocates of universal health care entered a new era of hope. Affordable coverage for every American is a top priority of the new President, who also recognizes that containing health care costs is essential to rebuilding our economy and enabling U.S. companies to remain competitive around the world.

The President is wasting no time. He wants to sign a comprehensive health care bill before the end of the year. While leaving the details to Congress, he's requested quick action on legislation, including allocation of the necessary funding to get the job done.

Congressional committees are already working hard to meet the President's timetable – holding hearings and issuing research documents on how best to accomplish important goals. The House and Senate are expected to vote on their bills this summer.

In their deliberations on the bills, the two chambers are giving serious thought to a model (Obama favored during his 2008 presidential campaign. It bases a new health care system on the current one, with employers continuing to be the major sponsor of coverage for workers and Medicare continuing its coverage of disabled persons and those over 65.

Obama's model also includes an entity known as an "exchange." It's essentially a risk pool that individuals and employers could buy into, offering a choice of insurance plans to participants.

While AFSCME has not come out in favor of a specific model for national health care, it has been very clear on what it expects health care reform to deliver. For example, AFSCME believes that **strong cost-containment measures are critical if coverage is to be affordable** over the long haul. True health care reform should incorporate the following principles:

- People who like their current coverage in good employer-sponsored plans should be able to keep it. Those who lack health insurance, or are unhappy with their coverage, should have options.

## Medicare, Retirees and Health Care Reform

Passing a strong health care reform bill is **critically important to retirees too**, not just to workers and young families. That's because soaring health care inflation is driving up the cost of programs retirees depend on: Medicare and employer-sponsored health care coverage. The stronger the **cost-containment measures** in Congress's reform bill, the better our chance of defeating efforts to cut our benefits. But this isn't the only retiree concern that needs to be part of

## Calls to Congress

In order to ensure a health care system that will be fair and affordable for every American, AFSCME's "Make America Happen" campaign is asking you to call your two U.S. senators and urge their support for a bill that addresses our union's top priorities. Call the U.S. Capitol Switchboard, toll-free, at 1-888-460-0813, and ask for your senator's office. When you connect with the office, leave the following message.

“  
Senator, please support a health care reform bill that:

- includes a public plan to compete with private plans and contain costs;
- mandates that employers pay their fair share; and
- rejects taxation of health care benefits for workers and retirees.”

After you hang up, we ask you to call the Capitol Switchboard one more time and ask for your other senator. When you're connected, repeat the message above. The Senate is preparing its bill right now, so please make your calls TODAY!

- Everyone should have coverage choices that include the option of a quality, affordable public health insurance plan. Public plans, such as Medicare, are more cost efficient than private coverage. Having a public-plan option in the new system will create a more competitive environment, forcing private plans to be more cost-efficient too. Currently, most private insurance companies operate in relatively non-competitive markets, where few real choices are available to consumers.

Continued on page 2

the health reform debate. Here are some of the key issues for retirees.

**COVERAGE GAPS.** AFSCME and other advocates for seniors support strengthening Medicare as part of health care reform. One way to do that is to address Medicare's gaps in coverage. Right now, Medicare has no annual cap on out-of-pocket costs. So, when seniors are very ill and require exceptionally long hospital stays, they can end up owing thousands in co-pays.

Continued on page 4

Illinois Chapter 31

Until recently, the retiree trustee on the Illinois Municipal Retirement Fund (IMRF) board could speak on board actions, but had no vote. Now, with enactment of Senate Bill 1957 by the Illinois Legislature, the retiree trustee finally has the same voting rights as the other members of the IMRF board.



AFSCME Council 31 and Retiree Chapter 31 led the campaign to pass the bill. According to Bea Stratton, a Chapter 31 executive board member and IMRF annuitant, "it gives retirees the full representation they deserve."

The current retiree trustee is Sharon Thompson (pictured here), a Chapter 31 member, who has served on the IMRF board since 2001 and is the 2009 board president. In describing the significance of the new law, Thompson said it was "historic" and "an important moment for the 87,000 annuitants who are receiving pension checks each year."

North Carolina Organizing Committee



Nearly 2,500 AFSCME retirees from around the country, who've retired to North Carolina, are uniting to form a statewide retiree sub-chapter. They will continue to be members of their AFSCME retiree chapters back home - in the cities and states where they used to work - but will also be members of the new North Carolina group.

An organizing committee has met twice, to write a constitution and plan a founding convention. Leading the effort is Jim Moore, recently retired from New York's CSEA where he was Region 5 president for over 30 years. The organizing committee is pictured here, including Chair Jim Moore (standing, 3rd from left) and Vice-Chair Bill Dworkin (standing, 4th from left).

Rhode Island Chapter 94



In March, AFSCME Retiree Chapter 94 was a sponsor of the Rhode Island Public Employees' Retiree Coalition Issues Forum. Other forum sponsors included the Rhode Island Federation of Teachers Retirees, the Rhode Island Education Association Retirees and the Rhode Island Retired Teachers Association.

More than 100 attended the event, held at the Community College of Rhode Island, Warwick Campus. Attendees heard presentations by organization staff on current issues related to retiree health care, Social Security and Medicare. Special attention was paid to recent attacks on the retirees' defined benefit (DB) pension plans.

The threats to DB plans are what originally brought the groups together in coalition. They worked together throughout the 2008 legislative session and continue to do so. Pictured above is Chapter 94 President Nick Palazzo, addressing the Issues Forum.

Continued on page 3

# Spend Stimulus Checks Today!

Earlier this year, President Obama signed the American Recovery and Reinvestment Act, which includes payments to workers and seniors that will help stimulate the economy. The President is urging you to **spend your stimulus payment now**, in an effort to keep businesses open and people on the job. Here's how stimulus payments are issued:

**"MAKING WORK PAY" TAX CREDIT:** Nearly all workers will receive a tax credit of approximately \$400 in 2009, which will be paid out gradually in each paycheck. If you're a retiree who's returned to work, you are eligible for this workers' credit, which first appeared in April paychecks. (Note: the full credit will gradually phase out for incomes over \$75,000 a year.)

**SENIOR CITIZEN STIMULUS PAYMENT:** This one-time payment of \$250 in 2009 is the result of lobbying by senior citizen advocacy groups. You are eligible if you currently receive Social Security, Supplemental Security Income, Railroad Retirement or Veterans' benefits. Checks were mailed out in May to either your home or bank, depending on how you receive your regular benefit checks. Didn't receive your payment? Contact Social Security today (1-800-772-1213 or [www.socialsecurity.gov](http://www.socialsecurity.gov)).

**PAYMENTS TO PENSIONERS NOT IN SOCIAL SECURITY:** AFSCME fought to ensure that state and local government pensioners would not be left out if they don't participate in Social Security. As a result, if you are one of these retirees, you'll get your \$250 payment in the form of a tax credit, payable on the tax return you prepare next year (this year's tax forms were already printed when the stimulus bill became law). Even if you have a low income that's not subject to federal income taxes, you can still get the payment. Just fill out a simple tax form in 2010 and receive it as a "refundable" credit.

Here are some other things you should know about the stimulus payments.

- **PENSION PLAN WITHHOLDING:** In March, AFSCME learned that the Internal Revenue Service required all pension plans (public and private) to use the same income-tax withholding tables as employers - new tables that reflect the 2009 "Making Work Pay" tax credit for workers. But pension income doesn't qualify retirees for this particular tax credit. So, pension plans using the new tables would be **under-withholding** taxes and over-paying their pensioners.

This alarmed AFSCME because we recognized that retirees would have to pay back the extra money next year at tax time - long after it was spent. To avoid aggravation and confusion for retirees, **we urged the Treasury Department and its IRS division to reconsider the rule.** In May, we were informed that the IRS would rescind the rule and allow pension plans to use last year's withholding tables (which don't reflect the workers' tax credit).

- **YOU CAN ONLY RECEIVE ONE PAYMENT:** Be advised that you can only receive one stimulus payment. For example, if you work *and* get a Social Security check, you cannot keep *both* the "Make Work Pay" tax credit of \$400 *and* the \$250 check for Social Security beneficiaries. Next year, on your tax return, you will have to pay back the smaller amount.

Confusing enough for you? Look at the bright side. It's money in your pocket that you didn't have before. Spend it now and help get the economy back on track. \*

Affordable Health Care (from page 1)

- **Employers must pay their fair share.** Our health care system is based on employer-sponsored coverage, but not all employers provide it. This puts responsible employers at a competitive disadvantage because their costs are higher. Also, the absence of employer coverage leads to more uninsured Americans, which leads doctors and hospitals to shift the cost of unpaid care to people with insurance. Cost-shifting adds an average of \$1,100 a year to the health care premiums paid by workers and/or their employers.

AFSCME believes employers should be required to provide coverage to their workers OR pay into a fund that provides coverage, with federal subsidies, for small businesses.

- **No taxation of health benefits.** President Obama campaigned against taxing the value of employer-paid health care benefits because it could add thousands of dollars to the taxable income of average Americans. More than 160 million people get their coverage through the workplace as employees, retirees or their dependents. Taxation would make health coverage more expensive and drive many employers to stop providing it. Also, union members gave up wages for health care. Taxing those benefits now is unfair.

- **Guaranteed, quality care for all** -- including 16 million uninsured (a growing number due to high unemployment). Coverage must be affordable for families, retirees, small businesses and all other employers.

According to International President Gerald W. McEntee, taking a "hands off" approach to insurance companies and health care providers is a prescription for disaster. "If we are to fix health care and our economy, the government must be an advocate for people in the system, not put them at the mercy of insurance companies. These companies routinely turn people away because of pre-existing conditions and wrongly deny or delay care.

"What we need is an American solution to our health care problem, one in which individuals, employers and government all share responsibility."

Health care represents one-sixth of the U.S. economy, so expect those crunched by our broken system to fight any measure that reduces their profits. This includes the insurance industry, pharmaceutical companies and businesses that don't provide coverage to their workers. They have vast resources to defeat reform and will fight to protect their interests. We must be ready to fight back.

That's why AFSCME launched its "Make America Happen" campaign to mobilize members and helped to organize **Health Care for America Now! (HCAN)**, a national grassroots coalition of more than 950 organizations in 46 states representing 30 million people. Supporters of HCAN's principles for "quality, affordable health care we all can count on" include President Obama, Vice President Biden, and more than 190 members of Congress. The HCAN campaign holds its first big rally for health care reform on June 25, in Washington, DC. \*

# Retirees' Stake in the Employee Free Choice Act

## 5 Reasons Why You Should Support It

The U.S. economy is in a mess. Average Americans are losing their jobs, their homes and their retirement security. The rampant greed of years past has resulted in an ever-widening gap between rich and poor.

Clearly, we need to raise stagnant wages and give workers a fair shake, but how do we do it? The answer is to strengthen unions by passing the Employee Free Choice Act.

The Employee Free Choice Act will help unions organize by making it harder for employers to intimidate workers. It will increase penalties for employers who violate worker rights and give workers the right to choose the union-selection method that best ensures free choice in their workplace. If employers refuse to negotiate first contracts, the Employee Free Choice Act will permit mediation and binding arbitration – the only fair way to settle disputes.

But the Employee Free Choice Act isn't just a workers' issue. **Obstacles to unionization are bad for everyone, including retirees.** Here's why passage of the act is important to you:

- Stronger Unions Mean Protection for Retiree Benefits.** Unions are the nation's leading advocates for pensions, Social Security, employer-paid health care coverage, Medicare and Medicaid – benefits and programs that are under constant attack. Because the Employee Free Choice Act will strengthen unions, it will also help to improve the quality of life for retired Americans.
- Unionized Workers Pump Money into the Economy.** Union members earn 28 percent more, on average, than non-union workers, which means they can purchase more and save more of their income. This keeps businesses open, banks lending and our economy working – helping all of us.
- Unionization Supports the Community.** Unionized workers make more money, so they pay more in taxes. These taxes help maintain important public services such as education, trash collection, hospitals, water treatment, roads, buses, libraries, museums and other pillars of a stable community. In general, communities with strong unions have higher living standards for everyone, including retirees.

**Today's system is NOT fair to workers**

### Take a look at these facts:

- Workers who try to organize are fired 25 percent of the time. Fear is justified.
- In organizing campaigns, 78 percent of private employers require supervisors to deliver an anti-union message to employees.
- For 44 percent of workers who win union elections, their employer refuses to negotiate a first contract and is able to get away with it!
- Nearly 60 million workers say they would join a union if they had the chance.

- Unions Promote Economic Justice.** Between 2000 and 2007, median annual income for working-age households fell an unprecedented \$2,000. In 2005, 25 percent of all workers earned poverty level wages – a higher percentage than in 2001. Meanwhile, corporate profits more than doubled. Unions can help restore a strong middle class – the true measure of a healthy society.
- Our Children and Grandchildren Will Need Good Wages and Benefits.** Today, only 12 percent of workers are unionized, compared with 35 percent in the 1950s. If this trend continues, tomorrow's workers will pay the price: lower wages, no pensions or health benefits and little political power to change the status quo. By strengthening unions, the Employee Free Choice Act will give the next generation a fighting chance. ■



Wisconsin Chapter 7 held its annual convention last fall in Madison. Speakers included Council 24 Exec. Dir. Marty Beil and Wisconsin AFL-CIO President David Newby. Keynote speaker was U. S. Rep. Ron Kind (D-WI), shown here addressing the delegates. Rep. Kind outlined the battles that lay ahead in Congress, including efforts to re-energize the economy and to enact a national health care plan. He emphasized the need to elect advocates for retirees and working families to national office.

The delegates re-elected Jerry LaPoint as Chapter 7 president. LaPoint is shown at the front table, far right, in the picture above.

## ConsumerTIME

### AFSCME Advantage Offers New Eldercare Benefits

AFSCME Advantage – the union's consumer benefits program – is offering a new, low-cost service to help AFSCME members and their families with elder care. By joining the "Aging with Grace" program, you'll be able to call on an elder care specialist to assess your situation and make recommendations based on your specific needs. The experienced staff will build your confidence for making important elder care decisions.

The initial consultation with an Aging with Grace representative is free of charge. Those in need of full-time support can sign up for a one-year membership, offered at a special union price of \$24.95. The benefits of membership include:

- Unlimited access to elder care specialists;
- A 15 percent discount offered on a wide range of care-management services;
- Elder care referrals and placements;
- Quality-assurance program for members in search of reputable service providers;
- Savings of up to \$1,250 for independent and assisted living communities, in-home care services, adult day care programs and other senior services from participating providers;
- A monthly caregivers newsletter; and
- Online caregiver support groups for members.

For more information, please call (800) 626-9440 or visit [www.agingwithgrace.net/unionplus](http://www.agingwithgrace.net/unionplus).

### Go Fish!

If a miracle nutrient existed that could lessen your risk of heart attack, delay or fight Alzheimer's disease and combat Type II diabetes, wouldn't you jump at the chance to consume it? Well, you may already be eating foods that contain this wonder. It's docosahexaenoic acid (DHA) – an omega-3 essential fatty acid.

DHA is found in "fatty" fish such as salmon, halibut, mackerel and sardines. Walnuts, soy and DHA-enriched eggs are also good sources. For those of us who prefer an alternative to eating fish, omega-3 supplements are relatively inexpensive and can be purchased at your neighborhood drug store.

Researchers at the University of California at Los Angeles (UCLA) found that a diet high in DHA dramatically slowed the progression of Alzheimer's disease in mice. Specifically, omega-3 fatty acids decrease the harmful brain plaques that mark the disease. A 2007 study published by the American Journal of Clinical Nutrition found other healthy dividends as well. The study suggests that omega-3s help burn body fat, shrink abdominal fat cells and stop certain genes that trigger inflammation in the belly.

So grab your tackle box and fishing pole or mosey on down to your local seafood market. There has never been a better time to "go fish!"

## Retirees Council Meets in DC



Representatives from AFSCME's 39 affiliated retiree chapters met in May in Washington, DC for the annual meeting of the AFSCME Retirees Council. Discussion centered on key issues such as health care reform, recent attacks on public pension plans and new efforts to cut Social Security and Medicare. Speakers included Roger Hickey, co-director of the Campaign for America's Future; Jeff Cruz of the Senate Special Committee on Aging and Karen Richardson of the White House Office of Public Liaison (shown above, speaking to the Retirees Council).





Rep. Fudge

Ohio: In November, Marcia Fudge (D) was elected by Cleveland-area voters to the U.S. Congress, where she currently represents the 11th District of Ohio. Rep. Fudge is the daughter of Marion Garth-Saffold, Exec. Board Member of Ohio Retiree Chapter 1184 and president of her Cleveland-area subchapter.

Fudge succeeds the late Rep. Stephanie Tubbs-Jones, whom she had served as congressional chief of staff. Tubbs-Jones died suddenly last August. Prior to working for the congresswoman, Fudge had been mayor of Warrensville Heights, Ohio.



Garth-Saffold



Kagawa

Hawaii: While many members of HGEA/Hawaii Retiree Chapter 152 helped elect the current President of the United States, chapter president Fran Kagawa played a particularly important role. As one of four members of the Electoral College from her state, "I had the honor

of casting a vote on December 15th for our very own Hawaii-born and educated Barack Obama."

The Electoral College is the body that represents the popular vote by state. Its elected members cast the official ballots for U.S. president. In 2004, Kagawa served as an Elector pledged to John Kerry.

Kagawa is a Democratic Party activist and has been elected to several party offices, including Oahu County Secretary and Regional Vice-Chair.

## Write a Letter, Get a Pen



Newspapers say they aren't hearing from their older readers on health care reform. So, to encourage union retirees to write letters-to-the-editor, the labor-backed Alliance for Retired Americans has initiated a campaign called "Retirees with the Write Stuff."

If a newspaper prints your letter, mail a copy to the Alliance, include date of publication and newspaper name and be sure to say you're an AFSCME retiree. The Alliance will send you a union-made pen with the campaign logo. Mail to: Letters to the Editor; Alliance for Retired Americans; 815 16th St. NW; Washington, DC 20006. ☉

# Coventry Dumps Medicare Advantage Plans

A few years ago, West Virginia and Pennsylvania made decisions to remove their over-65 retirees from the state employee health plans and require them to join new Medicare Advantage (MA) plans operated by private insurance companies. The private MA plans not only replaced the retirees' employer coverage, but also their Medicare benefits. Now, the states' biggest provider of MA plans - Coventry Health Care, Inc. - is dropping coverage, starting in January.

MA plans became attractive to public employers after 2003, when Congress passed a law that paid the plans an average 14 percent more than costs under regular Medicare. At the time, President Bush and his congressional allies tried to encourage Medicare privatization and saw the overpayments as an incentive. They allowed insurers to pass on some of the extra money to employers who switched their retirees to MA - an enticing offer for states and localities looking to reduce retiree health costs.

Now, President Obama wants to cut the MA overpayments, which he considers a waste of Medicare dollars. Coventry and other insurers may be leaving MA because they see lower profits if he succeeds. AFSCME also supports cutting the overpayments. The union has always considered MA plans unreliable and has been fighting states on this issue from the start.

Coventry became the most popular MA insurer of West Virginia and Pennsylvania retirees because, unlike HMOs and other managed care plans, its private fee-for-service insurance doesn't require use of in-network physicians. With Coventry gone, the two states will have to decide where to put the displaced retirees. Options range from returning them to a combination of Medicare and the state health plans (possibly with higher retiree cost sharing) or putting them in managed care plans operated by other private insurance companies.

AFSCME will watch the situation carefully to protect the interests of our retiree members. ☉

### Medicare (from page 1)

Currently, seniors protect themselves from potential health care bankruptcy by depending on employer-sponsored Medicare supplements or spending hundreds of dollars a year for private Medigap insurance. We think Medicare should pick up more of the cost.

"The time has come to give seniors peace of mind and put an annual limit on their Medicare co-pays," said Steve Regenstreif, Director of the AFSCME Retirees Department. "A Medicare limit would also reduce employer costs for supplemental benefits, which would help stave off cuts."

**PART D FIX.** Another coverage gap is the infamous Part D "doughnut hole." To fix it, AFSCME wants to see Medicare administer its own drug benefit to compete with the private Part D plans, using its enormous buying power to negotiate lower prices with drug companies. The resulting savings could help close the doughnut hole and reduce seniors' out-of-pocket costs for prescription drugs. AFSCME supports legislation to accomplish these goals, such as S.330/H.R.684.

**UNINSURED RETIREES.** More than 5 million Americans between the ages of 55-64 are uninsured. Many are early retirees who left the job due to ill health but don't have employer-paid coverage. They can't buy individual coverage because of pre-existing conditions or can't afford it due to outrageous premium costs. A national health program must provide

affordable coverage for this vulnerable age group. Premium prices should be the same for all (a practice known as "community rating") and not be based on age, gender or pre-existing health conditions.

**LONG-TERM SERVICES.** Lastly, there's the coverage of long-term care, now known as "long-term services and supports" (LTSS). AFSCME recognizes that covering LTSS is an expensive proposition, but believes that a system based on social insurance principles is necessary. To start down that road, the union is supporting the CLASS Act (S.697/H.R.1721) - a bill sponsored by Sen. Edward Kennedy (D-MA) and incorporated into the health care reform plan recently introduced by Kennedy's Senate Committee on Health, Education, Labor and Pensions (HELP).

The CLASS Act calls for a national insurance trust, financed by voluntary payroll deductions, that would cover participating adults who need long term services and supports. It would provide cash payments to beneficiaries that would enable them to maintain independence in the face of significant disabilities.

"We may not see all these issues addressed in health care reform this year," said Regenstreif, "but it's important to put them on the table nonetheless. Congress should recognize that we can't truly reform health care without addressing Medicare improvements or long term care. These issues are critical and the demand is growing. We must address them sooner or later." ☉



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