

SERREAM

Newsletter

Fall 2020

President's Message: Kay Morcomb

National Challenges and Achievements

1700's

Major Challenge: Form a nation from individual colonies with equity for its citizens.

Achievement: With great vision a democratic republic was formed where the rule of law is paramount.

1800's

Major Challenge: Advance the founders' vision.

Achievement: Saving the union while abolishing slavery.

1900's

Major Challenge: Advance equity in the face of several crises - economic depression, world wars, and a pandemic.

Achievement: Emerging from crises even stronger and expanding voting rights.

2000's

Major challenge: Advance equity by removal of hierocracies, such as those of gender, race, and wealth and also protect our environment.

Achievement: At this point we have regressions to overcome in expanding citizenship rights and responsibilities.

Your **VOTE** is needed to meet these challenges.

Voting is done by counties, so if you have not already applied for a mail-in ballot contact your county courthouse right away. When you get your ballot fill it in carefully and put it in the special ballot envelope and then in the mailing envelope provided. Mail promptly to ensure that it is delivered in time. Afraid that it will not be delivered in time? Find out where the envelope can be dropped off early, or possibly turned in at a polling place on election day.

How did our TRA Pension perform in 2019/20?

TRA Investment return for the twelve months ended June 30, 2020 was 4.2%. Our pension Actuaries use an assumption average of 7.5% annually going forward. Being that we did not reach the assumption goal of 7.5%, our funded ratio is now at 75.9% (was 78.2% on 6/30/2019). Inflation for that 12-month period was only 0.52%

So what is our projected funded ratio, assuming all actuarial assumptions are met in the future? Our funded ratio is expected to reach 100% in the year 2047, 27 years from now. (Last year the projection was the year 2042, so now it is 5 years later.). Our pension Actuaries and Minnesota Legislature likes to see this ratio in the 80s+. Hopefully we have strong returns in the future to get us above 80%.

Our Actuarial accrued liability is \$29.9 billion. This is the amount of estimated money needed to meet TRA's commitment to all retired and active teachers in the future. Our TRA fund now has assets at market value of \$22.7 billion. So our unfunded liability is \$ 7.2 billion. Our Actuaries feel we can reduce the unfunded liabilities if we can annually average a 7.75% return on our investments through 2047.

PERA also had a return of 4.2% and it was less than the 7.5% goal.

Looking forward, the Minnesota Budget for this biennium is currently a deficit of \$2.4 billion and it could be as high as \$4.7 billion in 2022-23. This is a real concern! To address this deficit, our Legislative leaders say everything will be on the table to balance the budget in the next biennium. Your REAM leaders will be monitoring how it may affect TRA and PERA and be your voice at the table.

Don Zwach SEREAM and REAM Board Member

Reminder

Did you register for the REAM Annual Meeting which will be held via Zoom on September 29 at 10:00 a.m.? Information and registration form was on the front page of the July REAM newsletter and also on the last inside page of the September Newsletter. Registration needs to be received by Kathy Ehrhard by Wednesday, September 15 so necessary papers can be sent to you prior to the meeting.

REAM is still here!

These are different times for us all. Some groups have temporarily stopped meeting while others are using such things as Zoom to conduct meetings. The REAM board did conduct their June meeting via Zoom. They have also been holding various committee meetings via Zoom.

The REAM annual conference at Treasure island has been cancelled. The annual business meeting will still be held in September. Members may register to attend the REAM annual meeting which will be held on September 29, 2020 at 10 a.m. via Zoom. The Conference for 2021 is scheduled at Chase on the Lake in Walker, MN for Monday and Tuesday, September 20 and 21, 2021. In 2022 the REAM annual conference is scheduled to be held at Treasure Island in Red Wing, MN.

Stay healthy!

Barb Hunter, SEREAM representative to the REAM Board

Reminder from Faribault

The corona virus gave a gut punch to the Faribault Area Retired Educators (FARE) forcing the cancellation of the 2020 April Spring Conference and Annual Meeting. Their plans were complete with stimulating speakers, great food, and important SEREAM business. The planned date was Earth Day, which was used as a theme. FARE got right back up with plans to host the 2021 Spring Conference and Annual Meeting on April 21, 2021. April 21 is John Muir's birthday so a natural environment theme will be most fitting again.

Alas, the SEREAM Fall conference had to be cancelled too. The Rochester International Event Center has rescheduled us for October 20, 2021. Mark your calendar now. We really hope to see many many of you.

MN Political Campaign Refund – Use It!

Use the Minnesota Political Campaign Refund to support your local Minnesota State House and Senate candidates, your County Political party, or State Political party (Does not apply to Federal offices). You can give up to \$50 per person, \$100 per couple and receive your contribution back dollar for dollar. Go to <https://www.revenue.state.mn.us/political-contribution-refund> for more information.

The recipient political organization or candidate that receives your contribution, will send you the MN Revenue Form (fill out just 3 lines) and a voucher verifying your contribution. You then submit the forms to the Minnesota Revenue Department and receive your contribution back usually within 3 to 6 weeks!

SEREAM urges you to support your local State Senate and/or House of Representative candidate financially!

Some Humor for Your Health

A SIGN IN A SHOE REPAIR SHOP:

We will heel you,
We will save your sole,
We will even dye for you.

A SIGN ON A CURTAINS AND BLINDS TRUCK:

Blind man driving.

IN A PODIATRIST'S OFFICE:

Time wounds all heels.

ON A SEPTIC TANK TRUCK:

Yesterday's meals on wheels

AT AN OPTOMETRIST'S OFFICE:

If you don't see what you are looking for,
you've come to the right place.

AT A TIRE SHOP:

Invite us to your next blowout.

IN A RESTAURANT WINDOW:

Don't stand there and be hungry;
come on in and get fed up.

IN THE FRONT YARD OF A FUNERAL HOME:

Drive carefully. We'll wait.

IN A NON-SMOKING AREA:

If we see smoke, we will assume you are on fire,
and will take appropriate action.

IN A VETERINARIAN'S WAITING ROOM:

Be back in 5 minutes. Sit! Stay!

REFLECTIONS ON A WEEK OF HOMESCHOOL

Day 1 – One of the little monsters called in a bomb threat.

Day 2 – This was National Home School Tornado Day. I sent the kids to the basement until I gave the “all clear”.

Day 3 – I hope the weather is good today for our field trip to Puerto Backyarda. I’m tired of Los Livingroom.

Day 4 – My child just said, “I hope I don’t have the same teacher next year.” I’m offended.

Day 5 – Homeschooling went well. Two students were suspended for fighting and the teacher was fired for drinking on the job.

On the positive side, more and more parents who are doing home schooling are appreciating teachers more and more.

Submitted by Edna Thayer

SO HOW IS IT WITH ELEMENTARY STUDENTS BACK IN SCHOOL

Please don’t share or trade your masks.

No, you cannot decorate your mask.

Please stop twirling your mask on your pencil.

Your mask is not a necklace, bracelet or any other piece of jewelry.

You’re not a pirate, take your mask off your eye.

No, your mask doesn’t make it hard to get your work done.

Why is there a shoe print on your mask?

What do you mean you tried to eat your lunch through your mask.

I’m sorry you broke the elastic by seeing how far the band would stretch, now you will have to hold the mask to your faceor use this duct tape.

Submitted by Ben and Sharon Baratto

“Pension Issues In The News” Across our Nation

An Association of USA State Public Pensions, monthly identifies under “Pension Issues in the News” articles from Minnesota and around the nation related to State Pension plans. It is important for members to be aware of State Pension news from around the country; because pension concerns, trends and legislative actions in other states, foreshadows challenges we may face in Minnesota.

Go to MNREAM.org and click the icon PIN on the home page and review this month’s 30 listed articles. Below is a short synopsis of 3 articles in the July 31 Edition.

Can States Afford Rising Public Pension Debts?

Andrew Biggs: Contributor Forbes Policy

Most observers are aware of the rising cost of state and local government employee retirement plans, driven by benefit increases, overoptimistic investment return assumptions and failures by governments to make full contributions as required.

But in a recent study, the National Conferences of Public Employee Retirement Systems (NCPERS) cites federal government data to argue that public sector pensions remain easily financially sustainable by state and local governments.

What The Wild Stock Market Means For Public Pensions

Liz Farmer: Senior Contributor, Forbes

A trader works on the floor of the New York Stock Exchange the day that ... [+]As governments deal with paying for Covid-19 expenses amid falling tax revenue and shrinking budgets, there’s another big bill waiting for them: pension debt. And many could lean on taxpayers to help.

The ratings agency estimates that when pension plans tally up their total performance between July 1, 2019 and June 30 of this year, most systems will post returns in the range of 0% to 1% (MN TRA and PERA returned 4.2%). This is considerably below their annual return targets of around 7%.

Public Pensions Bounce Back from Dismal First Quarter

Chief Investment Officer

Asset gain of \$308 billion in April-June period lifts estimated funded ratio to 71.2% from 66%
After a dismal first quarter, the 100 largest public defined benefit (DB) pension plans in the US bounced back to recoup \$308 billion in asset market value to raise the estimated funded ratio for the pensions to 71.2% at the end of June from 66% at the end of March (**MN ended June 30 fiscal year with a funded ratio of 75.9%**).

It was a sharp turnaround from the first quarter of the year, when public pension plans lost a median 13.18%, according to the Wilshire Trust Universe Comparison Service (TUCS), marking it as the worst quarterly performance in the 40 years TUCS has been tracking public pension plan data.

MEMORIALS:

Retired educator, Ed Mikulich, age 78, past away on August 5, 2020. Ed was very active with SEREAM and REAM leadership for many years. Ed and Dave Thayer were long time co-chairs of the SEREAM Legislative Committee organizing many fall conferences. Ed was a past president of SEREAM. Ed will truly be missed. We extend our sympathy to his wife, Karin and the Mikulich family. Cards can be sent to 1813 Waldorf Rd. Albert Lea, MN 56007.

DONATIONS:

Bill Talley
Ed Mikulich

from Carl & Rosemary Most
from: ALARE
from Kay Morcomb
from Ben & Sharon Baratto

**More important now to show our strength in numbers to the
legislation to protect our pensions.**

PLEASE RENEW YOUR MEMBERSHIP.

SEREAM Membership Form

Complete this form and mail with \$10.00 per person to:
Ben Baratto, 779 Bluffview Circle, Winona, MN 55987

Name: _____

Address: _____

City: _____ State _____ Zip _____

E-mail: _____

Phone: _____

Make checks payable to SEREAM.

Membership year: September 1, 2020–August 31, 2021

The newsletters can be found at SEREAM.org.

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EDUCATORS ASSOC. OF MN
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