



NRLN Focus



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Summer 2015

The NRLN Clarion Call ... Took Retiree Issues to Washington, D.C.

By Bill Kadereit, NRLN President



Washington, D.C. was its usual hot and humid city for late July, but it was an opportune time to combine an NRLN board meeting with NRLN, association and chapter leaders communicating retiree issues to members of Congress and their staffs prior to the Congressional month-long August recess.

On the afternoon of Monday, July 20, NRLN board members, invited directors of the Alcatel-Lucent and National Chrysler Retirement Organizations (LRO and NCRO) and one of our grassroots advocates participated in a dialogue on NRLN issues.

Board Meeting Presentations

We reviewed a mid-year update on the NRLN's financials that are on-target for both its fundraising and expense budgets. We also discussed communications I have had in recent weeks with three large retiree groups that are considering affiliating with the NRLN.

Marta Bascom, NRLN Executive Director, explained that she regularly works with a coalition to advocate legislative and regulatory issues beneficial to retirees. She noted that—depending on the issue—the coalition includes organizations such as the AARP, AFL-CIO and the Pension Rights Center. The coalition collaborates on national policy issues of common interest and use their collective resources to independently lobby common legislative proposals.

Cindy Hadsell, a director of NWB/USWest/Qwest retiree association and NRLN Vice President – Midwest Region, described the research work she has been doing to update the NRLN's white paper used to advocate the need for passage of legislation to reduce the cost of prescription drugs, particularly allowing Medicare to get competitive bids and for the initial importation of safe prescription drugs from Canada.

Judy Stenberg, NRLN Vice President – Pacific Region, explained the work of the Legislative Affairs Committee (LAC) that she chairs and includes Ray Sternot, NRLN Vice President – Great Lakes Region, Deb Morrissett, an NCRO director, and Larry Smith, Legislative Affairs Director of AT&T Ameritech/SBC Retirees (AASBCR). Stenberg noted that Sternot has reviewed the titles of 5,000 bills introduced in Congress in 2015 and identified 276 that are retiree related. Morrissett then researches the bills and the LAC decides during its conference calls every other week which bills to refer to the Legislative Action Planning Committee (LAPC).

Stenberg explained that I serve as chairman of the LAPC. I take the bills and research information referred from the LAC and create an EXCEL worksheet that includes a brief description of the bills, the House and Senate numbers of the bills, when they were introduced, the Representatives and Senators who introduced the bills and the number of Democrat and Republican co-sponsors.

The LAPC composed of Bascom, Stenberg, Bob Martina, NRLN Vice President – Grassroots, Ed Beltram, NRLN Vice President – Communications and I determine what action the NRLN will take in support of or opposition to the bills. The actions can range from Action Alerts with emails and/or phone calls to

(Continued on page 2)



(Continued from page 1) ***The NRLN Clarion Call ... Took Retiree Issues to Washington, D.C.***

Representatives, Senators and/or the President; letters to editors, or letters to committee chair and ranking member urging passage of the bill, and/or a thank you letter to the Representative(s) and/or Senator(s) who introduced the bill(s). Stenberg said other bills are tracked for possible future NRLN action and some bills are removed from further consideration by the NRLN.

Ed Beltram reported on Communications and Grassroots activities. Communications with all NRLN Grassroots Advocates included:

- NRLN Action Alerts: Jan. 1 – Dec. 31, 2014 – 12; Jan. 1 – July 15, 2015 - 8
- NRLN President's Forum Messages: Jan. 1 – Dec. 31, 2014 – 16; Jan. 1 – July 15, 2015 - 6
- Other NRLN Emails: Jan. 1 – Dec. 31, 2014 – 22; Jan. 1 – July 15, 2015 - 10
- NRLN Facebook Postings – Links to Articles: Jan. 1 – Dec. 31, 2014 – 84; Jan. 1 – July 15, 2015 - 44
- NRLN Tweeter Messages – Links to Articles: Jan. 1 – Dec. 31, 2014 – 138; Jan. 1 – July 15, 2015 – 29

Ed stressed the need for associations and chapters to provide updates on their members email and home addresses.

Since Bob Martina, VP Grassroots could not attend, Ed presented information he provided on Grassroots activities. Seventy-eight percent of the Congressional Districts have one or more leaders. Additional CD leaders are needed in California, Nevada and Pennsylvania. Regional leaders are needed for the Southeast's Eastern and Western Regions. If anyone is interested in serving in one of these rolls, send an email to Bob at rfjm9870@aol.com.

One handout provided by Bob stressed the need for more Grassroots Advocates to respond to NRLN Action Alerts. He requested that associations and chapters add a tag line to all of their communications stating: "Respond to all NRLN Action Alerts, It is Important".

Another handout noted that Grassroots Webpage empowerments are now in place at www.nrln.org.

1. Congressional members' Report Cards by state are online
2. Links to the NRLN Facebook Webpage and Twitter messages are online
3. Lists of Key Congressional Committee Members are online
4. "Is Congress working for you? Find out" is online
5. Letter to Editors links are online.

Meeting with PBGC and EBSA

On Tuesday morning leaders of the NRLN (Marta Bascom, Ed Beltram and myself), the National Chrysler Retirement Organization (NCRO), the Lucent Retirees Organization (LRO) and CenturyLink NWB retiree association and NRLN Chapters (consisting primarily of Century Link retirees) met at the Pension Benefit Guaranty Corporation (PBGC) Headquarters with five PBGC officials and two Employee Benefits Security Administration (EBSA) officials participated in the meeting via conference call.

Jay Kuhnle, NCRO President, Dana Oliver, NCRO General Counsel, and Deb Morrissett, NCRO Director, dialogued with officials about the need to protect Chrysler's pension plans in the event of an additional merger. Fiat Chrysler Automobiles NV CEO Sergio Marchionne has sought a merger with General Motors that has been rebuffed by GM, but he could find another merger partner. Kuhnle explained that Fiat Chrysler recently



Prior to meeting at PBGC Headquarters, NRLN President Bill Kadereit joins CenturyLink retirees (l-r) Judy Stenberg, Cindy Hadsell and Martha Deahl

(Continued on page 3)



(Continued from page 2) ***The NRLN Clarion Call ... Took Retiree Issues to Washington, D.C.***

merged three Chrysler pension plans into one plan. PBGC officials acknowledged they are aware of Marchionne's merger overtures and the merging of the three Chrysler pension plans into one plan and agreed to stay on alert for industry merger activity. They said the pension plan mergers were not uncommon as long as all plans were ERISA protected but will take a second look to make sure this was the case.



Leaders of the NRLN, AZ and WA Chapters, NWB and NCRO meet with PBGC officials

Cindy Hadsell, a director of NWB/USWest/Qwest that represents CenturyLink retirees in five upper Midwest states, opened the discussion about CenturyLink's action that merged the pension plans of Qwest, Embarq and CenturyLink legacy retirees. When the three pension plans were combined in 2014 the Funding Target Attainment Percentage (FTAP) became 84.1 percent. The Qwest Plan actuarial FTAP had been 91.1 percent in 2013.

Martha Deahl, NRLN Vice President – Desert Southwest, whose Arizona, New Mexico and

Nevada Chapters are mainly composed of CenturyLink retirees, and Judy Stenberg, NRLN Vice President – Pacific Region, whose Washington and Oregon Chapters are mainly composed of CenturyLink retirees, joined in the discussion. The PBGC officials were asked whether the PBGC would have access to accurate pension records from CenturyLink about Qwest retirees. The reason the question was raised is should CenturyLink seek to terminate the CTL Combined Plan, or should a bankruptcy court or the PBGC seek to terminate the Combined Plan during the five years after the merger, participants of the Qwest plan would be eligible for a larger pro-rata share of PBGC benefits that are allocated across a four level priority scheme (see pbgc.gov for details). The PBGC acknowledged that such losses are rare but that they would be prepared to make the correct adjustments if they see evidence warranting action on behalf of Qwest retirees.

Al Duscher, a director of the Lucent Retiree Organization, explained to PBGC and EBSA officials that Alcatel-Lucent retirees have received more than 200 pages of information related to the voluntary lump sum pension buyout offer that was approved prior to July 9, 2015 when Treasury/IRS announced it was banning lump sum offers to retirees already in pay status, that is, receiving pension payments. The Notice does not apply to retirees or former employees not yet collecting a pension. The amendment to Section 401(a)(9) of the IRS Code does not prevent pension plan sponsors from taking de-risking through the purchase of a third party annuity (i.e. an insurance company) to replace a defined benefit pension plan. Nor does the amended regulation prevent a pension plan sponsor from doing a voluntary pension plan termination through a voluntary lump sum offer and/or annuity purchase.

Duscher noted that some of the information provided to retirees by Alcatel-Lucent is disjointed. He urged the EBSA to develop a "model" for information that plan sponsors could use to communicate with retirees on future lump sum offers still permitted by Treasury and IRS.

Advocating for Retirees on Capitol Hill

During their time in Washington, DC, NRLN Board Members and association and chapter leaders had meetings on Capitol Hill with staff members of 24 Representatives and Senators. They advocated for lobbying for protecting retirees in pension plan de-risking;



Sarah Towles (head of table), Domestic Policy Advisor for Arizona Senator Jeff Flake, listens to Martha Deahl, AZ Chapter President, request support for bills to lower the cost of prescription drugs. Meeting included Bill Kadereit and Marta Bascom.

(Continued on page 4)



(Continued from page 3) **The NRLN Clarion Call ... Took Retiree Issues to Washington, D.C.**



Jay Kuhnle, NCRO President, Dana Oliver, NCRO General Counsel, and Deb Morrissett, NCRO Director, visit with Grant Barbosa, staff member for Rep. Levin Sanders (MI-09).

more disclosure in pension plan Annual Funding Notices (AFNs); Safe and Affordable Drugs from Canada Act (S. 122 and H.R. 2228), and Medicare Prescription Drug Price Negotiations Act (S. 31 and H.R. 3061).

Having appointments on Capitol Hill, in addition to the names noted as attending the PBGC/EBSA meeting, were

NRLN Board Members Larry Smith, AT&T Ameritech/SBC Retirees

director, and

Mike Stohlmeyer, John Deere Retirees Association director. Also on The Hill were Jane Banfield, NRLN Vice President – Mid Atlantic Region, representing TelCo Retirees, and Eleanor Fink, NRLN Congressional District Leader for Delaware.

I appreciate the time the individuals took to travel to Washington, participate in the NRLN Board Meeting and advocate key parts of the NRLN Legislative Agenda in the offices of our federal lawmakers. They proved to be in great shape for running between appointments in the sweltering summer heat and humidity.

All of us should commend the financial support that Grassroots Advocates provide to their associations and chapters that make the travel of their leaders to our nation's capital possible.

Washington, D.C. Site for Two Future NRLN Meetings

Members of Congress, their staffs and federal agency officials will be visited by NRLN, retiree association and chapter leaders in Washington, D.C. during the NRLN Fall Fly-In October 19 – 21, 2015 and the NRLN Annual Leadership Conference scheduled for February 8 – 10, 2016.

The Fall Fly-In will be held at the Holiday Inn Capitol, 550 C. Street, SW, Washington, DC with a room rate of \$239 per night plus tax and fees. Monday afternoon, October 19, will include presentations on NRLN issues and legislative priorities. Attendees will spend the entire day of Tuesday, October 20, and part of Wednesday, October 21 meeting with their Representatives, Senators and members of their staffs. Also, the NRLN will arrange for meetings with the staffs of Congressional committees who have legislative jurisdiction over retirement issues.

The NRLN Annual Leadership Conference is scheduled for February 8 – 10, 2016 at the Liaison Hotel, 415 New Jersey Avenue, NW, Washington, DC at a very low negotiated room rate of \$179 per night plus tax and fees. The conference will begin Monday afternoon, February 8, with a business meeting that will include presentations on the NRLN's top legislative priorities for 2016. In addition to conducting NRLN business and lobbying preparations, guest speakers will educate and inform attendees. Meetings on Capitol Hill with Senators, Representatives and their staff members will take place on Tuesday, February 9, and part of Wednesday, February 4.

Both the Fall Fly-In and Annual Leadership Conference are open to any NRLN grassroots advocate. Advocates who are affiliated with a retiree association or chapter should notify the president of their



Mike Stohlmeyer, JDRO Director, after meeting with Cade Clurman, Deputy Legislative Director, Illinois Senator Mark Kirk.



(Continued on page 5)



(Continued from page 4) ***The NRLN Clarion Call ... Took Retiree Issues to Washington, D.C.***

organization if they are interested in attending. A Fly-In registration webpage is available at <http://www.nrln.org/flyin.html>.

Presidents of retiree associations and chapters affiliated with the NRLN are encouraged to solicit as many of their Grassroots State and Congressional District leaders as possible to attend the conference. The sooner the NRLN is notified of intentions to attend the meetings the better it will be for the NRLN to make plans for the conference. Email intentions to attend and/or questions to contact@nrln.org.



A View From Washington

By Marta Bascom, NRLN Executive Director

As our members well know, the mission of the NRLN is to protect the earned retirement security benefits for all retirees who worked hard for their former employers and relied on these benefits that were promised upon retirement. One of our major initiatives over the years has been to promote policies which would entice employers to keep the promises they made to their former employees, particularly when it comes to retiree health care benefits.

Retirees have suffered cruelly from health care “take-backs” after decades of service to their former employers and responsible retirement planning in order to avoid burdening family and taxpayers. The NRLN has worked toward stopping these take-backs for many years and continues to look for ways to keep these promised-for benefits in place.

The U.S. House of Representatives and U.S. Senate recently passed and the President signed legislation to fund the highway transportation bill. One of the provisions would extend Section 420 of the Internal Revenue Code for pension fund transfers through to 2025. The NRLN strongly supports the use of Section 420 transfers to help employers maintain retiree health care and life insurance benefits so long as those transfers leave the balance of the remaining pension assets at a level of 125% (120% for collectively bargained pension plans) or higher after each transfer, as stipulated under current law. This serves as an incentive for companies to maintain retiree health care and life insurance benefits for their retired former employees.

While in complete support of this provision, this by no means should be interpreted as a retreat by the NRLN in its fight to ensure that pension plan assets should be kept as healthy as possible and used for their intended purpose – to provide financial security for employees and former employees in their retirement years.

Indeed, the NRLN is keenly aware that retirees are uniquely burdened by any economic downturn, and skyrocketing increases in health care and prescription drug costs, and threats to their relied-upon Medicare and Social Security benefits make them even more vulnerable. Any measure, such as this one, that can reasonably help employers maintain earned and promised benefits for their retirees deserves swift congressional consideration and enactment, and the NRLN supports your efforts in this matter.

It always seems as though Congress drags its feet to do the right thing. It feels strange but this time they did do the right thing, but then, Washington, DC is a strange place.

National Retiree Legislative Network, Inc.

The NRLN is the only nationwide organization solely dedicated to representing the interests of retirees and future retirees. Our mission is to secure federal legislation to protect retirees' employer-sponsored pensions and benefits plus keep Social Security and Medicare strong.

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page 8

Summer 2015

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