



Solidarity!

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What Does Your MTI Contract Do for You? *Health Insurance*

Since the late 1960's, **MTI members have had the benefit of the best health insurance available.** *Stressing the importance of quality health insurance in providing economic security, members have made health insurance their #1 priority via their responses to the Union's Bargaining Survey.* And, **the Union not only was able to bargain specific benefits, such as acupuncture and extended mental health coverage, as demanded by MTI members, but due to a 1983 MTI victory in the Wisconsin Supreme Court, MTI was able to have an equal voice in which insurance company would provide the plan.** This is important because different insurance companies have different interpretations of the same insurance provisions.



Unfortunately, the *District Administration took advantage of the increased leverage in negotiations enabled by Governor Walker's Act 10 forcing concessions in health insurance and other Contract provisions in exchange for them agreeing to extend MTI's five Collective Bargaining Agreements through June 2013.*

Members of MTI's teacher bargaining unit, who elected WPS health insurance under old Contract terms, will now lose that coverage June 30, 2012. The District is in the process of distributing materials by which members of the teacher bargaining unit can become familiar with the options available for coverage commencing July 1. They are **Dean Health Plan, Physicians Plus and Group Health Cooperative.** Each offers an HMO and a Point of Service Plan. The latter carries a higher premium, but enables broader choices for services.

The District has scheduled five sessions for those with questions to seek answers from the above-referenced plans.

April 9 - Doyle Auditorium - 1:00-3:00 p.m.

April 11- La Follette C17 - 4:00-6:00 p.m.

April 17 - Memorial Wisconsin Center - 4:00-6:00 p.m.

April 19 - West LMC - 4:00-6:00 p.m.

April 23 - East LMC - 4:00-6:00 p.m.

Nominations Finalized for MTI Officers & Bargaining Committee

At the March 20 meeting of the MTI Faculty Representative Council, nominations were finalized for MTI Officers, as well as for the MTI Bargaining Committee relative to vacancies caused by terms ending in May, 2012.

Nominated for President-Elect was current MTI President **Peggy Coyne** (Black Hawk). MTI Bylaws provide a president elect system, which mandates an intervening term as president. Given the impact of Governor Walker's Act 10, Coyne was encouraged to seek another term to assure that MTI has experienced leadership, given the challenges presented by Act 10. In addition, others nominated were **Art Camosy** (incumbent - Memorial) for Vice-President; **Liz Wingert** (incumbent - Elvehjem) for Secretary; and **Fred Rosevear** (incumbent - East) for Treasurer. **Kerry Motoviloff** (Elvehjem), who was elected last spring, will serve as President for the 2012-13 school year.

Nominated for the **MTI Bargaining Committee** were: High School Representative - **Mike Lipp** (incumbent-West); Middle School Representative - **Karlton Porter** (incumbent-

Cherokee); Elementary School Representative - **Nancy Curtin** (incumbent-Crestwood) and **Kathryn Burns** (Shorewood); At-Large Representative **Susan Covarrubias** (incumbent-Midvale); and Educational Services Representative **Judy Gump** (incumbent - Memorial). The Bargaining Committee, from which the Bargaining Team is selected and which is the body responsible for MTI's Teacher Contract negotiations, consists of 15 members, five are elected each year. MTI's general election will be held April 23-25.

Attention Substitute Teachers!

Madison College (**MATC**) Child and Family Centers Truax and Downtown Campuses are looking for substitute teachers (**hourly rate is \$19.86**) for the spring semester with the possibility of becoming a part-time, permanent hire for the next academic year.

If you are interested please call (608) 258-2423 or email cunal@matcmadison.edu as soon as possible to schedule an interview.



April 3 Election Crucial, Vote Absentee

Don't let spring break ruin your employment security. If you are going out of town, vote absentee. You can do so by writing to the Madison City Clerk, City-

County Building, 210 Martin Luther King Jr. Blvd, Room 103, Madison 53703-3342, OR you can go in person, before 4:30 on March 30, to the City Clerk's office (or the clerk in the jurisdiction in which you live). **Additional information is available on MTI's website, under Elections and Political Action.**

MTI's Political Action Committee, MTI VOTERS, interviewed candidates on January 10 for this Spring's election for Madison School Board Seats 1 and 2, 2nd Congressional District, Dane County Circuit Court Branches 8 and 11, and Court of Appeals District IV.

Candidates endorsed by MTI members, following MTI VOTERS' recommendation, are incumbent **Arlene Silveira** and **Michael Flores** for Board of Education; **Frank Remington** for Dane County Circuit Court Branch 8; **Ellen Berz** for Dane County Circuit Court Branch 11; and **JoAnne Kloppenburg** for Court of Appeals District IV.

Click on the Government Accountability Board link for more information <http://gab.wi.gov/elections-voting/voters/absentee>.

WRS Annuity Adjustments Released: Wall Street's Failures Combined with Walker Induced Exodus Pounds Retirees

Retired school district employees, police officers, fire fighters and other public employees received some bad news in their mail box a couple weeks ago. **The Department of Employee Trust Funds announced that nearly 100,000 retirees would see their monthly retirement annuities decrease by 7% on May 1.** Another 25,000 in the Core Fund would see reductions of **less than 7%** and approximately 45,000 would experience **no** reduction at all. Why so much and why the distinction? The primary answer is the failings of the Wall Street financial sector which caused the stock market crash of 2008. The secondary answer is the manner in which the WRS functions to protect retirees from such failings.

Those retirees who participate in the **Variable Fund** have investment gains and losses recognized every year. Therefore, if the investment returns decline 28% in a year, as occurred in 2008, the variable fund annuity decreases by 28% that year. And annuities paid from the variable fund can be reduced below their initial amount (i.e. **they have no floor**).

The Core Fund operates differently. In the Core Fund, gains and losses are recognized, or *smoothed*, over a five-year period. Additionally, the Core Fund provides a guarantee that the monthly annuity will never be reduced below the initial amount. The initial amount becomes **"the floor"**. For example, if you retire with a \$2,000 per month pension via the Core Fund, you have a guarantee that your monthly pension will not be reduced below \$2,000. In some years, stock market gains may be

sufficient to provide a positive annuity adjustment. Between 2000 and 2007, core annuities were adjusted between 0 and 6.6% each year. In other years, stock market losses may result in a negative annuity adjustment. Since 2008, core annuities have been reduced between -1.2% and -2.1%. But "the floor" remains. *Without such protection, retirees would have no guarantee and their monthly annuity would be entirely at the mercy of the financial markets.*

Even with the five-year smoothing feature, big drops in the market as that which occurred in 2008 can have lasting effects. According to the WRS, "although WRS assets have experienced three consecutive years of positive returns since 2008, those returns have not been enough to offset 2008's losses". Therefore, the financial market meltdown of 2008 continues to affect Core Fund returns.

That fact was not surprising. In fact, ETF had been estimating for months that the Core Fund may require annuity adjustments of between -4% and -4.5%. So, again, why the announcement of a -7% adjustment to some in the Core Fund? The answer is because **45,000 annuitants are already at the floor** and cannot have their annuities reduced further. Another **25,000 are close to the floor**. With so many at or near the floor, the shortfall in the annuity reserve is borne by the shrinking number of annuitants still above the floor.

Why are there so many retirees at the floor? According to the WRS, the primary reason is that since 2008 Core Fund annuities have experienced annual annuity adjustments of -1.2%, -1.3% and -2.1%. Such has resulted in moving more and more retirees closer to "their floor" each year. Another reason, not articulated by the WRS, may also be the explosion in retirements following Governor Walker's attacks on public employees in 2011. **In fact, the number of public employees retiring in 2011 (18,780) was an increase by nearly 60% over 2010 (11,750).** Combined with public sector jobs cuts, such has reduced the number of "active" employees contributing into the system, increased the number of "annuitants" drawing funds out of the system and increased the number of retirees at "their floor".

The problem in all of this is not "the floor". That concept provides some minimal protection to all retirees in the Core Fund from having their monthly pensions depleted entirely by Wall Street speculators. The problem was, and is, unregulated Wall Street financial speculators of 2008, compounded by Governor Walker's attacks on public employees in 2011.

Calendar of Events

- **Wednesday, March 28, 4:30 p.m., SCFL**
ALL MTI Boards & Bargaining Committees
- **Thursday, March 29, 4:30 p.m., MTI**
MTI Committee on BOE Relations
- **April 2-9 SPRING BREAK**
- **Tuesday, April 10, 4:15 p.m., MTI**
MTI VOTERS Political Action Committee

Our Union Makes Us Strong!

MTI's web page - www.madisonteachers.org
MTI's email - MTI@madisonteachers.org