

**JJCAA Annual Meeting**  
by John Peterson & Linda Brookhart  
June 28, 2012

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Insurance Committee Report

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**Committee Members**

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- John Corradetti
- Karen Erb
- Curt Hiegelke
- **Sandra Hopper**
- Chuck Kramer
- Jerry Lewis
- Pat Neff
- Mary Ann Oetter
- Mel Oetter
- John Peterson
- Walt Zaida
- Jerry Zeborowski

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**Next Insurance Meeting**

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- Monday, August 13<sup>th</sup>, 12:30 pm.
- JJC T-1000.
- Minutes are posted <[www.jjcaa.org](http://www.jjcaa.org)>.
- Join us! If you have any questions or suggestions, contact John Peterson at 815-725-9220 (runbike63@yahoo.com).

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### SB 1313 – does not include CIP

- Signed by Gov. Quinn last Thursday.
- State govt. retirees (university, judges, legislators, state workers) will have to pay for part of their health insurance.
- 9 tiers – on years of service & annuity.
- Will save \$200 million out of \$800 million from 78,000 retirees.

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### CIP is currently subsidized by

- The retiree (25%) paying a monthly premium,
- Active full time CC employees (25%) contributing 0.5% of their gross,
- CC employers (25%) matching the employee's 0.5% contribution, and
- **The State (25%) also matching the employee's 0.5% contribution.**

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### Employee Contribution Chart

<i>% of Gross Earnings</i>	<i>Benefit to Which It Is Applied</i>
6.5%	Normal Retirement Benefit
0.5%	<b>Automatic Annual Increase In Retirement Benefits</b>
1%	Survivor's Insurance
8%	Total Employee Contribution

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## Employee Contribution Chart

The Automatic Annual Increase In Retirement Benefits is not a COLA (Cost of Living Allowance).

It is an AAI, but our legislators act like we did not pay for it.

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## SB 1673

- It will be a law after elections and then decided by the Supreme Court.
- Either take (a) CIP and a reduced COLA [lesser of 3% or  $\frac{1}{2}$  of CPI-consumer price index] or (b) a 3% COLA compounded and no CIP.
- What should I do? Let's look at CIP.

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## College Insurance Program

- CIP is not paying its bills on time: 14-18 months behind.
- Approximately \$48 million in the red.

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### College Insurance Program

- Lobbyists have the State putting in \$36 million and maybe \$12 million more.
- SB 1673 removes the State's 25% to CIP with only (1) present employees, (2) CC District, and (3) retirees funding CIP.

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### College Insurance Program

- Present employees will pay 1.25% of their gross pay to CIP. There is a yearly 1.08% escalator if needed – SB1673
- The CC District and retirees will match the employees contributions so that each group contributes 1/3.
- Retirees health benefits will decrease.
- Again, what should I do?

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### College Insurance Program

- Shop, shop, shop for cheaper insurance.
- When shopping keep in mind that CIP is like a Plan G and the following costs: health insurance, drugs, co-pays, out of pocket, deductibles, vision, and dental. Then factor in (a) lesser of 3% or 1/2 of CPI or (b) a 3% COLA compounded.
- Then what?

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**The Real Problem Is HJRCA 49.**

House Joint Resolution Constitutional Amendment 49 will diminish public pensions.

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