

# **SRSRA NEWSLETTER**

*For SRS Retiree Association Members*

*Ed Somers, Editor*

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## **An Eventful Year Ahead**

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### **CHAIRMAN'S LETTER**

It's my first time for this corner of the newsletter. Andy Cwalina succeeded David Zigelman on May 1 but personal considerations caused Andy to resign from the Board of Directors and as chair. The Board elected me as chair at the June meeting. I'm quickly finding there are big shoes to fill. My hat's off to David & Andy for their fine leadership. When David started his term, life in the SRSRA was relatively quiet. Then the health care benefit battle began. David jumped right onto it and led the board's effort valiantly. He's made it easy for us to grab the reins. Please give him a big pat on the back when you see him.

A lot has transpired since the last newsletter. If you were at the annual meeting on April 10, you saw and heard a lot first hand. If you left the meeting shocked and frustrated, then you were at the right meeting. If you weren't there, a summary of the salient points are elsewhere in this newsletter. They are a must-read.

By now you should have received a notification from the SRS contractors that announced the changes to your medical benefits beginning in 2013. I'm sure that you have many questions. Some of them were asked and answered at the Annual Meeting. You will see those in the Meeting Notes below. We have compiled a list of additional questions that we will present to the SRS contractor so they can be addressed at the Town Hall Meetings in July and August. We will provide these to the membership when we have the answers for the benefit of those of you who cannot attend the Town Hall meetings

Six new directors were elected to the board at the annual meeting. We welcome Dave Fauth, Ed Liebfarth, Carole McClure, Ken Stephens, Dick Tanksy, and Elmer Wilhite. For the directors leaving the board, give a hearty round of applause to Dave Cowfer, Richard Davis, Sid Curry, Sam Goforth, Bob Hottel, and Charlie Miller.

In December, Senator Graham sent a letter to DOE asking for a meeting on the subject of health care benefits and to include all the stakeholders and decision-makers. It took the ire of the membership at the annual meeting to get the attention of Congressmen Wilson and Broun to push DOE into convening the meeting.

In his letter, Senator Graham asked that all options for health care benefits be put on the table. Regrettably, at the meeting convened on May 14 in response to his letter, the only option on the table was a slightly improved version of proposal you heard at the last two annual meetings. Grandfathering of benefits was outright rejected. Unfortunately, we could not rally anyone from the congressional delegation to support that cause. The SRSRA board's campaign to protect benefits did however result in a higher-than-expected stipend, the extra \$500

transition payment, and the extension from 3 to 5 years for pre-65 retirees' transition. Thanks to everyone who pitched in with letters and visits to the congressional delegation and your attendance at the annual meeting.

The results of the meeting makes our path forward somewhat different but more clearly defined. We will make every effort to get the maximum value out of this new benefits program. Elsewhere in this newsletter is the SRSRA Board's May 2012 Position Paper on the health benefits changes.

I hope each of you is asking, "What can I do to help?" Well, in our business, numbers count. So if you know of a retiree who has not yet joined the SRSRA, do whatever you can to recruit them. There's an application form at the end of this newsletter and also one on the website.

The second thing you MUST do is participate in the Town Hall meetings. Don't just attend; participate ask questions about anything you don't understand. If you have a spouse, make sure he or she is there as well. If you are alone, and especially if you have existing disabilities that will make active participation difficult, have a relative or a friend go with you or for you. We will all have to make decisions we have never had to make before. SRNS has committed to work with each of us individually to make this work. That puts an onus on all of us to be sure we have all of the information we need to make good decisions. We may not like the changes, but your Board of Directors is dedicated to working with you to make the new benefits system work as well as it can. In our next newsletter, I'll have a lot more to say about that.

The third thing you can do is to keep good medical payment records. At some point down the road, we will make a concerted effort to get the stipend adjusted to ensure adequate buying power. We will seek members' feedback and experiences to make the case. Stay tuned to the newsletter for more information about the approach.

In the next newsletter I will also discuss some of the things the Board will be doing and keeping an eye on over the next two years. I'll talk about our general approach for maintaining what we have, and for trying to claw back at least some of what we've lost. It promises to be an eventful two years, and we will need everyone's help to achieve our goals. For a start, you can urge any of your neighbors who aren't members and who worked at the site to join.

John Plodinec, Chairman, SRSRA

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## **PUBLIC AFFAIRS** - Nick Kuehn, Chairman

Win a \$50 gas card!!

The Savannah River Site Retirees' Association (SRSRA) has teamed with the Savannah River Site Employees' Association (formerly known as and remembered by most retirees as the ORA) to award \$50 gas cards to SRSRA members. Funding for the awards is actually provided by the Savannah River Site Employees' Association, and the process of selection is administered by the SRSRA. There are three awards per month, and the awards began in August 2011. The winners are selected by random drawing from among those attendees at the last SRSRA Annual Meeting. In addition, there are three member's names embedded in each quarterly newsletter. The names are randomly drawn from the active membership roster, and those members have thirty days to claim a \$50 gas card by contacting Ellen Miller, a member of the SRSRA Board of Directors, at 803-215-6571 or [emmiller25@aol.com](mailto:emmiller25@aol.com). So be sure to read the entire newsletter – it contains more than just good info!

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## **SRS RETIREE ASSOCIATION POSITION FOLLOWING ROLLOUT OF SRNS RETIREE MEDICAL BENEFITS CHANGES**

The following describes the position of the SRSRA board of directors following the May 14 rollout of the SRNS retire medical benefit changes.

Four members of the SRSRA Board of Directors (including the Chairman and Vice-Chairman) participated in a meeting on May 14, 2012 which included SRSRA, our congressional delegation, DOE officials, and SRNS. The original intent of the meeting was to review proposed changes to the retiree medical benefits and explore the alternatives to the changes proposed by SRNS in the March 15, 2011 letter. Instead, to the disappointment of SRSRA BoD, the meeting was effectively limited to being a formal rollout of the originally proposed program. No alternatives were considered even though SRSRA placed grandfather of benefits on the table as the preferred alternative. The meeting was initially requested by Senator Lindsey Graham, followed by a second request jointly by Senator Graham and Congressman Wilson, but SRNS clearly controlled the meeting. The congressional staff members in attendance were passive participants. The SRSRA Board of Directors has identified the following four significant deficiencies with the SRNS program:

1. The SRNS proposal states that the stipend will be reviewed periodically without specifying either an interval or how it will be evaluated. The stipend amount should undergo an annual review to determine negative impacts and/or be tied to an index that reflects the actual cost of medical insurance.
2. The stipend is the same for retirees of all ages while the cost for insurance increases with age. The stipend should reflect the higher cost of insurance for our older retirees.
3. Many retirees will be unduly burdened by the changes in benefits. Any reduction in benefits to address future liabilities should be shared among active employees and retirees. The board notes that DOE federal employees are not affected at all and there is no ongoing initiative to reduce federal employee or retiree benefits to address these future liabilities.
4. Removing the under 65 retirees from the site pool of employees will result in an increase in the cost for under 65 health insurance. The under 65 retirees should remain in the site employee pool.

The SRSRA Board of Directors wants all members to know that the board is not pleased with the changes nor with the way they were delivered. The Board will continue to aggressively work to protect retiree benefits now and in the future, and to redress the hardships that will be caused by the changes.

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## **NOTES FROM SRSRA 2011 ANNUAL MEETING**

St. Angela Hall, Aiken, SC

April 10, 2012

The 2012 Annual Meeting of the Savannah River Site Retirees Association (SRSRA) was held on Tuesday, April 10, 2012, at St. Angela Hall, Aiken, SC, at 1:30 p.m. with about 750 members attending. Chairman David Zigelman welcomed the crowd and provided a few housekeeping items (location of exits and rest rooms, cell phones to remain silent, etc.) He asked those in attendance to complete a white card that had been placed on each chair. This is a form that the Savannah River Nuclear Solutions (SRNS) provided to collect the correct addresses, phone numbers and email addresses for each retiree. There will be many communications from SRNS in the coming months and SRNS is updating their database. All completed cards were to be returned to the SRNS table in the meeting room. He thanked [www.mynamesisamerica.us](http://www.mynamesisamerica.us) for providing the music and videos provided before the meeting began. He also asked that each attendee complete the comment card on the back on the yellow agenda, as these comments help in the preparation of the next year's meeting. He reviewed the agenda and explained that there would be a training session after the meeting to teach members how to approach their Congressmen to solicit support to preserve the benefits of SRS retirees. He asked for a moment of silence to remember those community heroes that have fallen as part of their service to the community.

Next, David introduced special guests, including Ian Headly from Senator Jim DeMint's staff; Nancy Bobbitt from Georgia Senator Johnny Issakson's staff; Jim Hussey from Georgia Senator Saxby Chambliss' staff, Brian Eisele from South Carolina Congressman Joe Wilson's staff; Billy Boyleston from South Carolina Congressman Jeff Duncan's staff, Jessica Hayes from Georgia Congressman Dr. Paul Broun; Dr. David Moody, Department of Energy Savannah River Site (DOE-SR) Site Manager; David Hepner, DOE-SR Director of Acquisitions Operations Division; Jim Hanna, SRNS Senior Vice President of Corporate Services; Cliff Webb, SRNS Vice President of Corporate Communications; Kelly Sanders, SRNS Benefits Manager; and Barbara Smoak and others from Public Affairs; and from Savannah River Remediation: Dave Olson, President and Project Manager and Dean Campbell, Public Affairs Manager. He then introduced Congressman Joe Wilson from the South Carolina Second District.

Congratulations to Sara A. Cole!! You have been randomly selected to receive a \$50 gas card, courtesy of the SRS Employees' Association and the SRS Retirees' Association. You have thirty days to claim this award by contacting Ellen Miller at 803-215-6571 or [emmiller25@aol.com](mailto:emmiller25@aol.com). Please confirm your home address when you contact Ellen.

Congressman Wilson explained that due to the additional Congressional district in SC, that all districts had been modified somewhat and that his district now included all of Aiken, Barnwell, western Orangeburg, Lexington and Richland Counties and 99% of the Savannah River Site (SRS). He explained his ties to Aiken County and SRS. He told the group that his office is always available to help the SRS retirees and that a new Aiken office was recently added to be able to offer further assistance. He introduced Brian Eisele who is Congressman Wilson's staffer in Aiken who is available to provide assistance to his constituents. He also recognized the efforts of Senator Lindsay Graham to protect the health benefits for SRS retirees and said that he is in favor of delaying the changes in health insurance benefits.

Congressman Wilson then took questions from the audience.

**Question:** *How does the rest of Congress feels about SRS? Other legislators are needed.*

**Answer:** There are another 16 facilities like SRS and those Congressmen who have these facilities in their districts are interested. There are senators and congressman from both South Carolina and Georgia who support the site. Congressman Jim Clyburn supports the site since he now represents part of the site. When there is a local issue such as the SRS pension and medical benefits, others recognize what the Cold War Warriors have done for the country.

**Question:** *The medical benefit change being proposed by DOE and SRNS runs counter to the things that we have been told for years and years. We are the ones that won the Cold War. A year ago you attended this meeting and told us that you would help us. Today you have told us that you will help us but on an individual basis. An individual basis does not help us. The help that we need is on an overall basis. You mentioned the letter from Senator Lindsay Graham where he is trying to set up a meeting with SRSRA, DOE and SRNS. But DOE is dragging their feet and postponing the meeting. This change, as with our pension, may not allow for inflation. Medical inflation is expected to be six to seven per cent per year. If the stipend does not include inflation, in seven years, the medical coverage that we can get as retirees will be 50 cents on the dollar. In later years, it will be 25 cents on the dollar. For a retiree who is 60 today, at age 80, the coverage will only be 10 cents on the dollar. Many of us will be forced to choose between food and medical care. I voted for you in the past but I am uncertain about my future.*

**Answer:** I have to be held accountable to you and I am. I have to be accessible to you. I also said that will work with the SRSRA and I will be working with Lindsay Graham. We are truly engaged. I have explained to individuals that promises and commitments were made. Through the SRSRA, individually, please let my office know of any commitments made. With redistricting I am working with Jim Clyburn to help the retirees.

**Question:** *There is one thing that you can do and that is to ensure that the stipend will be indexed to inflation for medical care. Our pensions are not indexed to inflation so we really need for this stipend to be indexed to inflation.*

**Answer:** Your point is received and you are correct. I understand and I will be working for you.

**Question:** *A letter was read that had been sent to Congressman Wilson and others. Below is a summary of that letter:*

*Throughout the years, employees took jobs at the site, drawn by the importance of site missions, patriotism and promises of retiree benefits. These promises were made to employees by DOE through their contractors. Active employees were promised medical benefits if they would take an early retirement at the end of the Cold War and as site missions changed to reduce the workforce. Those employees were counting on those benefits for their retirement years. Now we are finding that DOE through its contractors is changing our medical benefits. A major shift of responsibility is being made on the ruse of a study done by the contractor, based on guidance from DOE. This study compared benefits at SRS to industry. The whole process is suspect and shifts the major costs of medical benefits to retirees. Through the years I have paid many taxes that have been used to fund this suspect study and federal employees' retirement and medical benefits. If DOE wants to made changes to the SRS retiree medical benefits based on a study, then the study should include DOE and all federal agencies and other government contractors.*

*This study should be conducted by the General Accountability Office (GAO), which has a high degree of credibility. I would ask that a delay of any changes to SRS retiree medical benefits be delayed until the GAO can conduct this study and present its findings to Congress and the American people. I personally will be contacting the media to force this national study and I urge my fellow retirees to do the same. If our Congressional representatives cannot help us, I will be forced to pursue other avenues, including legal actions.*

**Answer:** I am concerned about the study and appreciate the letter. I will be following through and inquiring about the study. And until such a study is completed, my position is that the changes in medical benefits should be delayed without legal action.

As I conclude, as a veteran myself, your service as Cold War Warriors has made it possible the liberations of dozens of countries and provided them with a democratic government. I have seen this as I have traveled the world and appreciate what you have done.

David thanked Congressman Wilson for his remarks and a video from Senator Graham was shown. Senator Graham expressed his regrets for not being able to attend the meeting and spoke of his support of the SRS retirees. He thanked the retirees for their work while at the site and their work that ended the Cold War. He recognizes that the country has a tremendous debt but that the country owes the Cold War Warriors retirement benefits. This video is available on the SRSRA's website, <http://srsretirees.org/>.

David announced that he had two letters of support from Congressman Broun and Senator Issakson, which will be placed on the SRSRA's website.

David introduced Kelly Sanders, SRNS Benefits Manager, to provide an update on changes being considered to retiree medical benefits. First, Kelly announced that the amount of the stipend at not been determined yet. Information from Kelly's slides is provided below with comments she made. The slides will be posted on the SRSRA website.

**The timeline for Medicare-eligible retirees is:**

June	Communication with My Medicare Advocacy Services, the amount of the stipend, and Town Hall meetings
July/August	CSRA Town Hall meetings
September	My Medicare Advocate will call retirees to introduce their services
October	Open enrollment materials will be sent to Medicare-eligible retirees
November	Open enrollment
January 1, 2013	New Plan Year begins

Kelly told the group that SRNS will continue to subsidize health care insurance and for those who are eligible, Medicare will continue to be their primary provider. The annual stipend will go into a Health Reimbursement Account (HRA), which will be used to pay premiums for insurance, co-pays, etc. However, retirees must use the advocate to access the stipend. My Medicare Advocate is ACS/Buck, and the HRA will be administered by Wage Works. The HRA can only be funded by the company and any excess can be rolled over for the following year. It has not been determined how often it will be funded. However, the monies are restricted by IRS regulations but can be invested into mutual funds to grow.

Congratulations to Linda V. Burkhalter!! You have been randomly selected to receive a \$50 gas card, courtesy of the SRS Employees' Association and the SRS Retirees' Association. You have thirty days to claim this

award by contacting Ellen Miller at 803-215-6571 or [emmiller25@aol.com](mailto:emmiller25@aol.com). Please confirm your home address when you contact Ellen.

New changes in the medical benefit plan include the HRA, more wellness programs, a "vanishing deductible", new identify cards and increased rates for retirees who are not eligible for Medicare. SRNS is adding more wellness initiatives. Participants will be able to earn wellness credits which will reduce the 2014 deductible based on wellness credits earned in 2013. There will be some minor changes with prescription plans. The company is currently paying 15% of health care benefits for pre-Medicare retirees; this will increase to 25% over the next three to five years.

SRNS took the new plan out for bids and the result is that Blue Cross/ Blue Shield will continue to manage the health care plan for pre-Medicare participants. The new Health Reimbursement Account will be managed by the HSA Bank, a partner of Blue Cross/Blue Shield. The HRA has triple tax advantages: tax-free going into the account, tax-free earnings while in the account, and tax-free when payments from the account are made. The money in the account can be invested into the stock market.

### **The Medicare-Eligible Retiree Medical Plan overview:**

- Transition provided with annual stipend into a Health Reimbursement Account (HRA) to buy retirees' own plan
  - Medicare Supplement = Medigap Plans
  - Medicare Replacement = Medicare Advantage
  - Prescription Drug Coverage = Medicare D Plan
- Health Reimbursement Account will be established in participant's name, funded by SRNS/SRR annually which will pay for:
  - Premium assistance will be available through My Medicare Advocate
  - Medical expenses (copays, coinsurance and expenses)
- Dependents and retirees not eligible for Medicare will remain in the SRNS/SRR Incumbent Retiree Plan
- The 2013 vendor selection is complete
- ACS/Buck will be the My Medicare Advocate

### **My Medicare Advocate (MMA) is a service that helps retirees evaluate meaningful Medicare plan choices through an integrated solution including:**

- A domestic call center staffed with licensed advocates
- A web portal with modeling tools and enrollment function
- Medicare eligibility verification
- A network of carrier affiliates that provide Medicare coverage on a national basis
- Communication and education

### **MMA Advantages**

- No cost to use the tool
- Screened insurance affiliate carriers
- Fewer choices are easier than too many choices or no choice
- Decision Support tools factor in premiums and out-of-pocket costs
- High correlation between retiree's specific needs and the plan selected
- Reduce cost and/or improve benefits for special needs retirees

- Better benefits and lower premium rates than available in individual market
- HRA Administration
  - Simplified premium and out-of-pocket expense submissions and reimbursements
  - Payment of health plan premiums

### **Health Reimbursement Account (HRA)**

- Bank account established under IRS rules for allowed medical expenses
  - Premiums
  - Copays / coinsurance
  - Dental / Vision expenses
- May roll over year-to-year
- Funded solely by Employer / Company
  - Frequency and amount of funding not yet determined
- Joint account for Medicare Eligible Spouses
- Prorated funding for the year you become Medicare eligible, if after 01/01/2013
- Managed by "Wage Works"

### **Pre-Medicare Retiree Plan Eligibility**

- Retiree, Survivor, Spouse and/or Dependent Child not eligible for Medicare will remain eligible for the SRNS/SRR Incumbent Retiree Medical Plan
- Those reaching Medicare eligibility after January 1, 2013 will be transitioned month following Medicare eligibility

### **Pre-Medicare Retiree Plan Timeline**

June	Communication of plan design and rates
October	Open enrollment materials mailed to homes
November	Open enrollment
January 1, 2013	New Plan Year

### **Pre-Medicare Retiree Medical Plan Overview**

- Same 3 Options (Prime, Standard, Basic),
- Health Savings Account partnered with Basic plan,
- Wellness Initiatives,
- Minor Plan Design changes,
- Separate Plans; New ID cards, and
- Increased rates
- 2013 Vendor selection is complete
- Blue Cross/Blue Shield will provide medical, drugs and dental coverage
- Health Savings Account Bank (BC/BS partner) is partnered with Basic Medical Plan Option

### **Health Savings Account**

- Option for Active and pre-Medicare eligible Incumbent retirees when electing the Basic Medical Plan Option
- Funded by Employer and Participant

- Bank account established under IRS rules - to be used for allowed medical expenses
  - Premiums (when not actively employed)
  - Copays / coinsurance
  - Dental / Vision expenses
- Must not be participating in any other medical plan
- Balances roll over year-to-year
- Triple Tax Benefits (limited contributions; unlimited balance)
- Balances may be invested in the Stock Market (Mutual Funds)
- Managed by "HSA Bank"

Kelly then answered questions from the audience.

**Question:** *Is the stipend taxable?*

**Answer:** In 2013 the stipend through the HRA will not be taxable. However, after the Health Care Reform Act takes effect, Kelly said she did not know what effect this bill will have on taxes for HRAs.

**Question:** *Will the costs for the Medical Advocate continue to be paid for by SRNS?*

**Answer:** Yes, the costs will continue to be paid by SRNS.

**Question:** *Can the stipend be used to purchase a dental plan?*

**Answer:** Yes, the same stipend can be used to purchase a dental plan.

**Question:** *How will the stipend be calculated? Will the stipend amount be the same for all or will it vary based on age?*

**Answer:** This will be announced in June.

**Question:** *With the Medical Advocacy for Medicare, will Blue Cross/Blue Shield go away?*

**Answer:** There are hundreds of different Medicare Supplement Plans. You will need to work with your Medicare Advocate to determine which plan, what deductible, and what you will pay. Different Medicare Advantage Plans cover different things. So working with your Medicare Advocate, you can figure which plan is best for you and what costs that Medicare Parts A and B do not cover. At the Town Hall, there will be some examples shown.

**Question:** *At the present time, there are differences with what is paid for those who retired under DuPont and those who retired later. Will that distinction continue?*

**Answer:** That decision has not been made yet and will be announced in June when the stipend information is available.

**Question:** *What about pre-existing conditions?*

**Answer:** A pre-existing condition will not affect your ability to get another plan because Medicare Parts A and B provide your primary coverage. The supplement just helps with deductible and items not covered under Medicare. So the supplement is not subject to the wide swings in costs for a pre-existing condition. So there are no pre-existing condition exclusions.

**Question:** *When we are called later this year by the Medicare Advocate, will they have access to my personal medical information?*

**Answer:** We will have business associate agreements tightened up. We will send them your current year prescription drug claims so that you will not have to provide them with a list of every drug that you are taking. We have protected the data with encryption to protect you.

**Question:** *In today's world, there are so many people calling the elderly to offer different plans. How will we know that this is a legitimate call?*

**Answer:** Before you are called, you will be receiving letters to announce that the Medicare Advocate will be calling. The people who will be calling will identify themselves as part of the My Medicare Advocate. These are the people that you will be working with. We will be working with our contracts to protect your personal information. Their call to you will just be a welcome call and they will not be asking for personal information. Then you will be calling them and establish who you are before they will talk to you.

**Question:** *If you go to medigap.gov plans, the costs vary based on your medical condition. For example, if you are in good health, your costs are \$6700; if you are in poor health, your costs are over \$11,000. How will the stipend be fairly used? Also, buying an individual Medicare Supplement Plan is more expensive than by buying through a group plan. It seems to me that buying with 3,000-4,000 retirees as a group would be cheaper and offer better benefits.*

**Answer:** For Medicare Supplement Plans, the rates of the plan are set by the state. The companies and benefit plans are being studied to find the best.

**Question:** *What about cost of living adjustments for the stipend? This was discussed with Congressman Wilson, but you have not addressed this. The Bureau of Labor Statistics puts the costs of medical inflation at about 56% since 1993. Without a cost of living adjustment for the stipend, it will cost the retiree more and more of his pension. What is your plan?*

**Answer:** That is under consideration at this time and will be announced in June.

**Question:** *Are any of these decisions being driven by Obamacare?*

**Answer:** We do have consultants to help us watch the affects of the Health Care Reform Act. These Medigap plans have been around for many years for other companies such as Kimberly Clarke. We are not starting something new; we are following what other large companies have been doing for some time.

**Question:** *Today we have heard that Congressional representatives are asking for a delay. However, listening to your presentation, the decision to change the medical care is going forward. Is this true?*

**Answer:** As it takes time to plan all of the steps to implement the changes in medical care, planning will continue to make this effective by January 1st. However, at this time, we do not have everything finalized or formalized.

**Question:** *For clarification purposes, you said earlier that you are only sending prescription drug information to My Medicare Advocate. So does this mean than you will not be using information from my private doctor?*

**Answer:** We have not had a final meeting with thee representatives from My Medicare Advocate, but at this point, all we are planning to send is the prescription drug claims for this year. When you talk to the advocate, they will be able to look at what drugs you are taking and assuming that you take the same

drugs, they can determine what plan may be best for you. This will help the advocate to be able to determine what will be covered, what you will pay and this is what the stipend will pay. Once you choose a plan, there will not be anything tying you back to SRS other than the stipend.

***Question:** There are Cadillac plans, Chevrolet plans and clunker plan. What plan will the stipend cover? Is this a reasonable stipend? Since retirees are not getting cost of living increases to the pension, you really need to think about what impact that this will have on retirees and listen to our input.*

**Answer:** Thank you for your comment.

***Question:** Under the current plan, if we have a problem with the plan or coverage, we can call SRS to get answers to questions and to get help? Will this go away?*

**Answer:** If you have problems, you will call My Medicare Advocate for help. They will help with any claims problems that you may have.

***Question:** Based on what you are telling us, I want to make a statement. When we worked at the site, the site expected us to provide an honest hour's work for an honest hour's pay. We envisioned certain things for our retirement. We were promised certain things and slowly, these promises are going away. Where is the integrity for retirees?*

**Answer:** No answer.

David thanked Kelly for the update and began his talk on the State of SRSRA. He made the following points:

- Membership in the SRSRA is over 1200 members and growing.
- During past year the SRSRA has concentrated on protecting pension and retiree medical benefits while servicing member needs.

### **Pension**

- The pension is still funded at 67%. DOE forecasts that it will be funded at 80% in 2015 through additional deposits and improving stock market.
- Low interested rates and stock market performance have created pension funding issues at largest companies in US.
- The SRS Pension is governed by ERISA and guaranteed by Pension Benefit Guaranty Corporation.
- The Board of Directors (BOD) has concerns about the pension but believes that pension payments will not be missed.
- Current funding level prevents the BOD from pursuing a pension.

### **Retiree Medical Benefits**

- SRNS is moving ahead preparing to implement changes first announced in March 2011 per timeline in Kelly Sanders' talk
- SRSRA has voiced its opposition to the proposed changes to Energy Secretary Chu, the Central Savannah River Area (CSRA) congressional delegation, SRNS Presidents Gary Flowers and Dwayne Wilson, and DOE-SR's site manager, David Moody
- Documents the BOD has obtained through Freedom of Information Act requests show that DOE has been misleading the retirees and the Congressional delegation:
  - DOE-HQ is driving the changes, not the SRS contractors

- No changes are being made to the medical benefits of current employees because the DOE and contractor are concerned about losing employees and being uncompetitive in attracting new hires.
- In September 2010, SRNS told DOE about problems that their actuary was having in completing the Benefit Valuation (Ben/Val) study. The actuary could not obtain retiree medical benefit data from the 16 "comparator" companies in the Ben/Val study. Instead, the comparison was made to new hires. Comparing SRS retiree medical benefits to new hire medical benefits at the other companies made the Ben/Val evaluation invalid, according to SRNS. The actuary stated that he thought that SRS retiree medical benefits were, on the average, no "richer" than grandfathered retiree medical benefits at the other companies. In October 2010, DOE directed SRNS to reduce only Retiree Health Care benefits.
- So, the DOE's justification that the results of the Ben/Val study required changes to retiree medical benefits is clearly fiction.
- The changes to retiree medical benefits, alone, do not fix the problem in the Ben/Val study; but DOE is happy.
- This is not a cost savings to DOE because the costs now being transferred to the retirees will be used to fund projects at the Site
- SRSRA has concentrated on nine members of the CSRA congressional delegation (Graham, DeMint, Chambliss, Isakson, Wilson, Duncan, Clyburn, Barrow and Broun) who could be reasonably expected to bring pressure on DOE to stop these changes.
  - Over 20 individual briefings and conference calls over past year with staff members of the Congressional delegation have been made by representatives from the BOD.
  - There have been innumerable letters, courtesy calls and emails to members of the delegation and their staffs.
  - Most of the nine members did nothing.
  - The four US Senators (Graham, DeMint, Chambliss, and Isakson) supported Senate Resolution 275 establishing October 30, 2011 as a National Day of Remembrance, recognizing the Cold War Warriors but would do nothing to push back on DOE who was turning its back on the same group.
  - Senator Graham wrote a letter to DOE on December 21, 2011, asking eight detailed questions pertaining to retiree medical benefits and asking for a meeting with all parties (Graham, DOE, SRNS and the SRSRA) to reach a reasonable outcome for all.
  - DOE responded to Graham on March 2, 2012. The letter pointed at SRNS as the driver of the changes (that is false), pointed at the Ben/Val study as identifying the need for the changes (the study shows a flawed analysis); said DOE would hold a meeting "at the appropriate time" and did not answer Graham's specific questions.
  - DOE is dragging their feet in scheduling the meeting and Graham is doing nothing to stop their delays.
- These nine members of the congressional delegation are not doing their job to represent the retirees' best interests. David asked that retirees remember this when they enter the polling booth on Election Day.

### **What Do We Expect?**

The BOD has determined that grandfathering retiree medical benefits at the level earned and promised at time of retirement is the best solution. Any changes to medical coverage should be for current employees not already in retirement who can plan accordingly.

## **What is Wrong with Changes Being Implemented by SRNS?**

- For pre-65 retirees (pre-Medicare), monthly premiums could double.
- For post-65 retirees (in Medicare):
  - Pre-98 retirees may no longer receive premium-free secondary insurance
  - Will the stipend be enough to purchase comparable secondary insurance?
  - Will the stipend be indexed to the age of the retiree? (cost of commercial insurance is a function of age)
  - Will there be a periodic adjustment of the stipend to account for increasing medical costs?
  - There will not be a true out of pocket limit (as we have with Blue Cross now) as Medigap plans only reimburse for Medicare allowable costs
  - The net result will be, the older a retiree gets, the more of his pension will go to medical premiums. When a retiree gets to be 80 years old, he could be paying close to 100% of his pension.

## **What Do We Do Now?**

- SRSRA and the BOD will not go away as DOE and SRNS wishes we would.
- We will continue to fight DOE's plan to break solemn promises made during our employment and at retirement in order to transfer health care costs to the elderly.
- Each SRSRA member needs to meet with his/her Congressman/Senator or their staffer, and voice his/her personal grievance. Explain what the changes will do to each retiree personally.
- To help retirees through the next 8-10 months of difficult change, the SRSRA Medical Interface Committee, chaired by Rick Geddes, will continue to be there to help

After David's presentation, several suggestions were made including a protest march at SRS and pursuing legal action. David explained that as a 501 (c) (5) corporation (nonprofit), monies from the treasury could not be used to pursue legal action. However, David asked for those who are interested in pursuing legal action; please provide their names to him.

After a short break, David reconvened the meeting. Andy Cwalina moved that the 2011 Annual Meeting Minutes be approved, as provided to retirees through a newsletter and on the SRSRA webpage. The motion was seconded and passed.

Fred Cadek moved that the proposed slate of Board members be approved by acclamation. The motions was seconded and passed. The new Board members are: Edward Liebfarth, Ken Stephens, Richard Tansky, Elmer Wilhite, Carole McClure (one year) and Dave Fauth (one year).

David announced that the Treasurer's Report for the year had been distributed and placed on the attendees' chairs, prior to the meeting. With no other business, the meeting adjourned.

David remarked that the newsletter is the only method of communication to all SRSRA members and said he wanted to be sure that all members are receiving the newsletter. The newsletter editor is now using a bulk electronic mail service and it has been difficult to determine if members are receiving their newsletters electronically. He asked that those who receive the newsletter electronically be sure to have SRSRA newsletter email address in their list of approved contacts.

David also explained that the BOD is looking a different ways to retirees to contribute to the local United Ways instead of using the SRS and payroll deduction. Some members do not want SRS to receive "credit" for their contributions to the United Ways. More information will be provided when it is available.

Congratulations to David W. Varn!! You have been randomly selected to receive a \$50 gas card, courtesy of the SRS Employees' Association and the SRS Retirees' Association. You have thirty days to claim this award by contacting Ellen Miller at 803-215-6571 or [emmiller25@aol.com](mailto:emmiller25@aol.com). Please confirm your home address when you contact Ellen.

The following door prizes were then drawn:

From the Savannah River Site Employees Association, \$50 gas cards were given to: Robert Pracash, Linda Mimm, Becky Fitzpatrick, James Moody and Jerrie Bowles. Cash (\$100) was given to: Host Michael, Rommie Bryant, Judy Philbeck, and BJ Sprouse. From the SRSRA, \$100 cash was given to: Garrett Trehy, Jim McNeil, Tom Campbell and Betty Boxley. Allen Wilson won \$200 and Jacqueline Walker won \$400.

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### **BC/BS SERVICE CONCERNS**

We receive letters from retirees trying to get proper Blue Cross/Blue Shield reimbursement for their medical bills. Most of the problems occur when the retiree/patient lives out-of-state (i.e., no longer in SC). If you have records of BC/BS service problems to share with SRSRA members, please **send a letter outlining your case to both:**

**Rick Geddes, Medical Benefits Committee**  
**SRS Retiree Association**  
**P.O. Box 5686**  
**Aiken, SC 29804**

**Kaye Bozeman, Major Service Representative**  
**I-20 at Alpine Road AV-100**  
**Columbia, SC 29219**

or e-mail your information to: **KAYE.BOZEMAN@bcbsc.com**, or Fax: 1-803-264-9353. You can also call Gari Howard, your BC/BS service representative, toll-free at (800) 868-2500, ext. 45805. As a last resort, you can call Kaye Bozeman at 800-288-2227, extension 44452 or 803-264-4452.

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### **BENEFITS CONTACTS**

- ◇ **Benefits Service Center (one-stop service for most HR and payroll activities and questions)**  
**803-725-7772 (local area SC and GA)**  
**800-368-7333 (long distance)**  
**service-center@srs.gov (e-mail contact for this service)**
- ◇ **SRNS/SRR Savings Plan** 866-288-3257  
[www.ibenefitcenter.com](http://www.ibenefitcenter.com)
- ◇ **Blue Cross/Blue Shield of SC** 800-325-6596  
[www.southcarolinablues.com](http://www.southcarolinablues.com)  
Option 1 for Medical  
Option 2 for Dental  
Option 3 for Pre-Cert/Med Authorization
- ◇ **Medicare Helpline** 800-633-4227
- ◇ **Medicare Web Site** [www.medicare.gov](http://www.medicare.gov)
- ◇ **Pre-Certification for Mental Health / Substance Abuse** **800-868-1032**

## Savannah River Site Retiree Association Membership Application

\_\_\_\_\_ I want to RENEW my membership in the SRSRA  
(...and I am willing to serve on the Board of Directors) \_\_\_\_\_ Yes \_\_\_\_\_ No

\_\_\_\_\_ I want to JOIN the SRSRA  
(...and I am willing to serve on the Board of Directors) \_\_\_\_\_ Yes \_\_\_\_\_ No

\_\_\_\_\_ My spouse is also retired from SRS and wants to JOIN the SRSRA  
(...and my retired SRS spouse is willing to serve on the Board of Directors) \_\_\_\_\_ Yes \_\_\_\_\_ No

\_\_\_\_\_ I am the surviving spouse of an SRS retiree and wish to JOIN/RENEW my membership in the SRSRA  
(...and I am willing to serve on the Board of Directors) \_\_\_\_\_ Yes \_\_\_\_\_ No

### Annual Dues:

#### Current Year

\_\_\_\_\_ \$15 for Retiree  
\_\_\_\_\_ \$0 for Retiree's Spouse (also retired from SRS)  
\_\_\_\_\_ \$5 for Retiree's Surviving Spouse

#### Next Year

\_\_\_\_\_ \$15 for Retiree  
\_\_\_\_\_ \$0 for Retiree's Spouse (also retired from SRS)  
\_\_\_\_\_ \$5 for Retiree's Surviving Spouse

SRS RETIREE NAME \_\_\_\_\_

SRS Retired or Surviving SPOUSE'S NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_ TELEPHONE \_\_\_\_\_

SRS RETIREE RETIRED FROM: SRNS \_\_\_\_\_ WSRC/SRR \_\_\_\_\_ BSRI \_\_\_\_\_ BWXT-SRC \_\_\_\_\_ BNFL-SRC \_\_\_\_\_ OTHER \_\_\_\_\_

SPOUSE RETIRED FROM SRS: SRNS \_\_\_\_\_ WSRC/SRR \_\_\_\_\_ BSRI \_\_\_\_\_ BWXT-SRC \_\_\_\_\_ BNFL-SRC \_\_\_\_\_ OTHER \_\_\_\_\_

SRS RETIREE: DATE OF RETIREMENT \_\_\_\_\_ E-MAIL ADDRESS \_\_\_\_\_

SRS RETIRED OR SURVIVOR SPOUSE: DATE OF RETIREMENT \_\_\_\_\_ E-MAIL ADDRESS \_\_\_\_\_

Return to: **SRS Retiree Association**  
**P. O. Box 5686**  
**Aiken, SC 29804**  
**Attn: Larry Coleman, Membership Chairman**