



Association of Ameritech /SBC Retirees, IncSM

Proudly working on behalf of the retirees of the AT&T Midwest Region, SBC Midwest Region, Ameritech, and predecessor/successor Bell Companies of the New AT&T, located throughout the United States

Legislative Ledger

January 23, 2009

A View from Washington

AASBCRSM President, Carole Lovell and Vice-President-Legislation, Ray Sternot, attended the annual NRLN led Leadership Conference in Washington, D.C. January 13-15, 2009. It was an information packed 3 day session. Many things were learned about what is happening in Congress and what other retiree groups are experiencing relative to pension and healthcare benefit reductions. There were several presentations about pending legislation and various related topics from several prominent presenters:

- 1. Dr. John McDonough (HealthCare) – Kennedy Healthcare Committee**
- 2. Dr. Phyllis Borzi – NRLN Advisor/Obama Transition Team Member**
- 3. Ms. Michelle Evermore (Pensions) – Senate Committee on Health, Education, Labor and Pensions (HELP)**
- 4. Mr. Ed Bettinardi – NRLN Healthcare Committee Chair**
- 5. Mr. Mark Ugoretz of the ERISA Industry Committee (eric.org)**
- 6. Mr. Michael Rae – Deputy Director– PBGC & Ms. Amy Veenor – Associate Benefits Council - Actuary Policy & Analysis – PBGC**
- 7. Mr. William Bortz – Dept. of Treasury**

During the conference the NRLN Board approved the budget and legislative agenda for 2009, the roadmap NRLN lobbyists will use when they meet with members of Congress to persuade them to create and support legislation valuable to retirees. Attendees at the conference heard some pension and healthcare horror stories. One was the plight of Delta retirees after the Delta and Northwest merger. Delta pilot retirees had a good and adequately funded healthcare plan but after the merger they ended up with no healthcare and little to no retirement income. It isn't only the auto industry that is facing tough times ahead. Given the recent (12/26/08) EEOC rule change, the holes in the Pension Protection Act of 2006, and, the healthcare plans in the congressional pipeline, it is frightening to know what companies can legally do if they want to renege on pensions and healthcare benefits.



Association of Ameritech /SBC Retirees, IncSM

Proudly working on behalf of the retirees of the AT&T Midwest Region, SBC Midwest Region, Ameritech, and predecessor/successor Bell Companies of the New AT&T, located throughout the United States

On the positive side, those at the conference were encouraged that many retirees and retiree associations have come to realize that all retirees must mobilize and take the fight to Congress. Three major initiatives which will require significant funding were identified by the NRLN Board:

- 1. The Protection of Defined Pension Plan Assets from use in lump-sum payments, severance pay and layoffs.**
- 2. The Maintenance of Cost Payment where the employer pays retiree healthcare benefits equal to the cost at the time the individual retires or what it costs the employer now, whichever is lower.**
- 3. Medicare Reform to eliminate the Medicare D “donut hole”, drug importation/re-importation, fast track generic drugs, allow buy-in for under 65 retirees into Medicare and added catastrophic coverage.**

There are great concerns about healthcare legislation currently being planned in Congress-how these healthcare bill initiatives will address employer sponsored insurance plans and how current retiree benefits will mesh into the proposed legislation. The most worrisome thing about the legislation currently being considered in Congress is the “unintended consequences” of legislation that doesn’t look at all of the “what if’s”. What retirees can least afford is poorly crafted laws that allow companies to legally renege on pensions and healthcare benefits.

All members of AASBCRSM, in coming months, can expect a number of calls to action on legislation that is currently in the Congressional pipeline. Fast action will be required. Congressmen and Senators must be contacted and asked to protect retirees’ benefits. All AASBCRSM members are needed to participate in these calls to action. The pensions and healthcare benefits of retirees are at risk and all retirees need to make their voices heard in order to protect those earned pensions and benefits.

Participants closed the conference with a warning for all retirees: “Make no mistake; this is the time to pick up the phone and pens and take action.”