

Action Line – April, 2008

Notable Dates

May 1, from 2:00 until 4:00, is the date and time for the **Retirees Chapter Open House** at the new DFT headquarters. The new headquarters has ample space for some of our future meetings. Bon Appetit restaurant is supplying a variety of tasty items for the open house. The address is 15250 Mercantile Dr. An easy locator; the headquarters is on the road right behind Wendy's and Tim Horton's restaurants on Greenfield near Rotunda Dr.

Included with this mailing is information about the **Retiree Chapter Spring Luncheon on May 21 from 11:00 until 1:00**. We're having something a little different this time, a box lunch in the beautiful Michael Berry Career Center located on the HFCC Dearborn Heights campus. Vision problems, such as macular degeneration, are of concern to almost all retirees as we get older. We have, as our guest speaker, Alice Raftary, a knowledgeable expert on how to cope with the vision problems we encounter. **The deadline for reservations is Thursday, May 14.**

GASB ??? GASB ???

By insiders, it's usually pronounced GASBEE. It stands for **Government Accounting Standards Board (GASB)**, and you will probably be hearing more about it in the coming months than you want to. **GASB** has set down new rules that will apply to all government retiree health plans. These rules will require all government retiree health plans to report their un-funded accrued liability. The new rules require a very restrictive method of reporting that will inflate the size of the liabilities, causing this debt to appear substantially larger than it would be under more typical actuarial assumptions. For example, the very conservative GASB rules require that retiree health systems assume that Medicare will only be around for one more year. If the retiree system has to assume that it will be picking up all the costs of retirees health care without the aid of Medicare, then the projected costs to the health care system in future years balloons almost astronomically. So what does it matter if these projected costs suddenly skyrocket? It's all just paper projections. Right? Wrong. According to rating agencies, if governments don't

take steps towards reducing these large projected liabilities, it could negatively affect their ability to bond, which could increase the costs at every level of government in Michigan.

One solution to the problem is to pre-fund health care costs. In its wisdom, the IRS has created, within the Internal Revenue Code, an item called a 115 Trust. A 115 Trust is set up to protect funds that have been set aside for funding future retirees health care. Only government units may set up these trusts. In Lansing, we now have a **House Retiree Health Care Reforms Committee** that is attempting to set up a framework for pre-funding of the **Michigan Public School Employees Retirement System (MPERS)** under a 115 Trust. In fact, the Committee is aiming to set up separate trusts for the other state retirement systems as well, the **SERS, JRS, SPRS and LRS**. (An extra dessert at the Open House for everyone who knows the names of those other retirement systems.)

The Michigan Federation has always favored pre-funding of health care costs. A key problem now is how to draft legislation in such a way that we do not have a repeat of what we had previously, when pre-funding accounts were raided to pay current retirees' health care costs. Stay tuned. Hammering out the details of creating a 115 trust will undoubtedly be a long and complicated process that will affect the future integrity of our health care system. Our local and state representatives will be closely monitoring the progress of the committee.

Health Care for All?

In 2002, a survey found that 49% of physicians supported national health insurance and 49% opposed it. Since then, there appears to be a shift in physicians' attitudes toward legislation that would establish a national health care system in the United States. *The Annals of Internal Medicine*, published in March, 2008, reported on a recent survey of 2000 doctors. The survey found that about 59% of doctors surveyed supported a national health care program, while 39% opposed it. The survey did not specify what form such a program would take, but presumably it would be one that would cover all those presently uninsured. The breakdown of which doctors supported a national health care program is interesting. There was support for a national health

Action Line – April, 2008

care program among 83% of psychiatrists, 69% of emergency room specialists, 65% of pediatricians, 64% of internists, 64% of family care physicians, and 55% of general surgeons.

Annual Reports

The return of baseball, buds on the trees, and the greening of the grass—all are immutable signs of spring. Another more pedestrian sign is the annual report from the trustees of the Medicare and Social Security systems on the health of these mammoth government programs. The reports indicate that neither program faces an immediate crisis, but the report on Medicare highlights the increasing cost of health care in the U.S. The Social Security surplus is expected to continue until 2041. Medicare's trust fund, however, will be insolvent in 2019. Under Medicare there is something called the 45% trigger law. The law states that the president must prepare a plan to reduce Medicare spending when the program is expected to be more than 45% funded by general government revenue for more than two years. This was the second such consecutive warning. In response, President Bush has proposed approximately \$180 billion cuts in Medicare, including means testing premiums for the Medicare prescription drug program (Part D). Legislation to make these changes has been introduced in both the Senate and House, but it is doubtful that any action will be taken in the waning days of the administration.

So, What's New?

That may be the attitude of many women who read the results of a study done by the **University of Michigan, Bureau of Social Survey Research**. The study showed that having a husband creates an extra seven hours of housework a week for women. For men, however, a wife saves men from about an hour of housework a week. "Housework" in this survey included household tasks such as cooking, cleaning, and other basic work around the house. Excluded from these "core" housework hours were tasks like gardening, home repairs, or washing the car. Who does the least housework? Single women in their 20's and 30's—about 12 hours a week on average. Married women in their 60's and 70's did the most housework, about 21 hours a week. Overall, the

amount of housework done by U.S. women has dropped considerably since 1967, while the amount of housework done by men has increased. According to the survey, marriage is no longer a man's path to less housework. Hardest working of all were married women with three or more kids who did 28 hours of housework a week. Married men with more than three kids, by comparison, logged only about 10 hours of housework a week.

Departed Friends

We received word in March that **Ray Smith** had passed away. He retired from Bryant in 1989. We also learned of the death, in January, of another Bryant retiree, **Jerry Andrews**. Jerry taught at Bryant from 1958-1992. We were also informed that **Carol Eloff**, retired Phys. Ed. Teacher from Edsel Ford had died on Feb. 1 in Sun City, Arizona.

Pat Daly, Editor