**LANCASTER/LEBANON *PSEA-RETIRED* *NEWS BRIEFS***

 **Lancaster/Lebanon Pennsylvania State Education Association-Retired is affiliated with**

***April/May 2012 PSEA, PSEA-Retired, NEA and NEA-Retired***

**Message from the President, Mike Ronan**

Greetings! I write this while vacationing in Florida. Retirement and technology are a perfect fit. I can enjoy retired life and still participate, as necessary, in providing the services of the job you elected me to do.

As we take a look at the program for this year’s luncheon, the executive committee decided to try and find something that would be different and fresh. The first thing we did was to find a new venue that continued to be central to both our counties. We have moved the luncheon to Enck’s Catering at Kreider Farms south of Manheim on Route 72. This location will give us full privacy and is equipped to handle any numbers we may have in addition to all the presentation needs we may have. We will continue with the same type of menu, which seems to be a hit.

To continue with the technology theme, we will have a program provided by PSEA on Cyber Security. It is a topic that should be of interest to all of us. You might say that you don’t have a computer so why should this interest me. Whether you have a computer or not, your life is part of the cyber community whether you like it or not. Who knows, perhaps you will find out that there may be parts of cyber space that may appeal to you.

After we conclude the business meeting, which will feature a report on the PSEA Retired House of Delegates, we will have a wine tasting provided by Waltz Winery located just outside of Manheim. Nothing like a little wine before lunch. Please bring a friend or spouse to this event.

As noted in the last issue elections will be held at this luncheon. We will be electing PSEA-Retired Southern Region Officers as well as Officers for Lancaster/Lebanon PSEA-Retired.

If you have joined us in the past, please continue; we look forward to seeing you again. If you have not, please join us for the first time; we look forward to you joining us.

*Mike*

**Act 120 affects PSERS**

![C:\Users\Rick\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\W1NHKX63\MC900431631[1].png]()In its last week of meetings before their break that will conclude at the beginning of May, the House State Government Committee held an informal hearing to discuss the financial condition of the SERS and PSERS. Both praised the changes made by Act 120 that was passed in 2010. There were several conclusions reached in the hearing. First, the act has made a real impact in reducing the actuarial costs of both systems. However, the systems still have $39 billion in unfunded liabilities. Second, PSEA predicts that as the Employer contribution rate continues to increase until the year 2020, there will be additional pressure for more changes along the way. We hope to see all of you at our next luncheon meeting on May 16, 2012. Keep that date open on your calendar and consider joining us. Details are on page 3.

**The Facts About**

**Your Pension**

**By Don Wenrich**

The National Institute on Retirement Security recently published key findings about results of defined benefit retirement plans that retirees would find surprising. They found the results very significant in several ways.

![C:\Users\Rick\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\3D7AQT77\MC900334270[1].wmf]()We know how beneficial a defined benefit plan is to us. We published the details of this type pension plan in a former newsletter. Simply speaking, a formula determines your retirement benefit. You receive the pension no matter what the financial conditions are at the time.

The plan the Legislature wanted us to have was a defined contribution plan. In this type plan, one invests into a plan of his or her choosing and the pension amount depends upon the financial market at that time. Can you imagine the benefits you would have had these past 2 – 3 years?

THANK GOODNESS --

What many of us don’t realize is that pensions apparently play a large role in helping this state get through these bad economic times. You may ask how.

The report mentioned that in the year 2009 expenditures from state and local pensions supported:

• 99,383 jobs that paid $4.6 billion in wages and salaries for the year

• $13.7 billion in total economic output for Pennsylvania

• $1.8 billion in state and local tax revenues for the year

Pennsylvania’s unemployment rates in 2009 were at 8%; without the 99,383 jobs supported by pension expenditures in the state, unemployment would have been roughly 1.6% higher or 9.6% during the same period.

![C:\Users\Rick\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\3D7AQT77\MC900441517[1].wmf]()Pennsylvania and other state pension funds paid $8.6 billion in benefits to Pa. residents. The average pension benefit amounted to $1,869 a month, resulting in a yearly average of $22,424. Retiree expenditures, because of these benefits, provided an additional $13.7 billion in total economic output in the state for the year. These pension benefits received by retirees in both the state and teachers’ pension funds are spent in the local community. Consequently, there is a ripple effect as one person’s spending becomes another person’s income.

![C:\Users\Rick\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\W1NHKX63\MC900240341[1].wmf]()The report noted that between 1993 and 2009 20% of PA pension fund contributions came from the employer and government, 15.79% contributions came from the employee, and 64.2% came from investment earnings. As you can see, a large bulk of the earnings of retirees came from investment monies, not from the government and employer contributions, as is so often “the cry.”

Furthermore, each dollar paid out in pension benefits actually supported $1.59 in total economic spending in the state. Each dollar that was invested by local taxpayers in pensions provided $7.95 in total economic activity in the state. As you can see, expenditures made by state and local government into pension plans, directly or indirectly, put valuable dollars into local communities throughout the state.

The point is not only do we, the retirees, benefit from the defined benefit pension plans, but the state and its businesses also benefit. The fact is that benefits paid to the pension funds by the state, the school district (the public) and you, the retiree, do have a very significant and positive impact on the employment and the economy of this state.

Under the defined contribution plan being pushed by the legislature, not only would retirees have been seriously compromised by the economic climate of the past couple of years but also, so would have the taxpayers of this state.

**Special Feature**

If you know of someone who as a retiree has done something exceptional for the retired community, let us know. We would like to feature an occasional article on such an individual in our newsletter!

**A Drop in Membership**

**By Don Wenrich**

Why are we finding that some members of PSEA-Retired are dropping membership? One reason is that a number of locals, upon active teachers retiring, purchase a membership to PSEA-Retired for a year. When it’s time to enroll in PSEA-Retired the following year, the member appears to not pay his/her dues.

Our retirement pension is NOT necessarily a sure thing. We may think so. The need to fight the battle every year in order to keep our defined pension plan is important. If we lose the defined benefit plan for new teachers, the state and local school districts won’t contribute their share anymore. This will have a serious impact upon the stability of the PSERS fund. Even though, technically, the state can’t take your retirement as established legislatively, if the fund dries up so does your pension.

Therefore, we ask that you stay with us and do your fair share to help fight these battles by lending your support when needed. Be a part of solving the “problem” – not the problem.

**We Are Going Digital!**

 **By Don Wenrich**

ELECTRONIC MAIL -- We thank all of you who have responded by electing to receive the newsletter electronically. In this way, you can help the Association defray costs.

![C:\Users\Rick\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\W1NHKX63\MC900441455[1].png]()Should you not get your electronic mail and you requested it by that method, kindly send a reminder to alert us to that fact. Those of you who have not yet decided to use electronic mail, please reconsider receiving your newsletter by sending your name and email address (in this order) to us by electronic mail. Use the e-mail address on the last page to alert Don Wenrich, Editor.

Note: You may also receive a hard copy this time until we can make the transition with the printing company.

**State House of Delegates**

The PSEA-Retired House of Delegates will be held at State College on April 16–17. Lancaster/Lebanon PSEA-Retired will be there.

**Registration Form for Wednesday, May 16, 2012 General Membership Meeting**

**Date:** Wednesday, May 16, 2012

**Time:** Registration - 9:30 A.M.

 Meeting & Program – 10:00 A.M. to approximately 11:30 A.M. (the program will be first)

 Lunch – approximately 11:45 – noon

**Location:** *Enck's Banquet and Conference* **From Lancaster:** **From Lebanon:**

 *Center at Kreider Farms* Take Rt. 72 north of East Take Rt. 72 south of

 1461 Lancaster Road (Rt. 72) Petersburg. Enck’s is on the right, Manheim. Enck’s is on the left,

 Manheim, PA 17545 ½ mile north of 1/3 mile south of

 (717) 665-ENCK (3625) Graystone Road Auction Road

**Enter the facility at the right rear of the building. There is plenty of parking near the entrance.**

**Menu:** Deluxe Deli buffet with soup and fresh fruit

**Cost:** $15.00

**Program:** The programs for the luncheon will be Cyber Security. The first presentation will focus on what one needs to do to avoid viruses and keep their computer secure. The second program consists of a visit from Waltz’s Vineyard from the Manheim area. It is a local estate winery. There will be an opportunity for wine tasting. They grow a wide variety of grapes and produce a variety of their own wines on the estate.

**Note:** We encourage you to bring a fellow retired teacher friend or another member.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*Detach and mail to Ken Umbenhauer\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

Reservations are due by Friday, May 11, 2012; we hope to see you there!

 **Make checks** **payable to**: **Lancaster/Lebanon PSEA-Retired**

 **Send to**: **Ken Umbenhauer**

 **1319 Green Street**

 **Harrisburg, PA 17102**

**Name(s):** **Number Attending:**

**E-mail:**

 **To be used for Electronic Newsletter**

**Address:**

 **Phone:**

**Lancaster/Lebanon PSEA-Retired Newsletter**

**SOUTHERN REGION PSEA**

4746 Delbrook Road

Mechanicsburg, PA 17055

***LANCASTER/LEBANON PSEA-Retired Newsletter***

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**Officers:**

**President**: Mike Ronan – home phone 717-459-3481, cell phone 717-314-6499. **Address**: 105 Ridings Way, Lancaster, PA 17601. **E-mail**: cariboucastle@comcast.net

**Vice President**: Marie Hibshman – home phone 717-866-5885. **Address**: 22 Georgie Lane, Richland, PA 17087.

**E-mail**: hheli123@yahoo.com

**Secretary**: Linda Hollingsworth – home phone 717-361-9463. **Address**: 616 Rockwood Drive, Elizabethtown, PA 17022. **E-mail**: Lhollingsworth52@gmail.com

**Treasurer**: Ken Umbenhauer – home phone 717-236-9561. **Address**: 1319 Green St., Harrisburg, PA 17102.

**E-mail**: kenru1319@hotmail.com

**Editor**: Don Wenrich – home phone 717-665-1619.

**Address**: 922 Newport Road, Manheim, PA 17545.

**E-mail**: dwenrich@ptd.net

**Staff**: Michael Ronan, Lin Rengier, Rick Walter

**Membership Chair**: Jean Witmer – home phone 717-653-1657. **Address**: 1339 Kinderhook Road, Columbia, PA 17512.

**E-mail**: jwitmer@centurylink.net

**Program Chair**: Lin Rengier – home phone 717-464-6961.

**Address**: 501 Beaver Valley Pike, Lancaster, PA 17602.

**E-mail**: lrengier@comcast.net

**Legislative Chair**: Sayre Turney – home phone 717-397-7974. **Address**: 231 Pine Bridge Lane, Lancaster, PA 17603. **E-mail**: sgturney@comcast.net

**Member Benefits Chair**: Darlene Zimmerman – home phone 717-464-2263. **Address**: 17 Pine Lane, Willow Street, PA 17584. **E-mail**: dmshannon1@verizon.net

**CHANGE NOTICE: ADDRESS AND E-MAIL CHANGES SHOULD BE FORWARDED TO JEAN, OUR MEMBERSHIP CHAIR.**

**If you are aware that a deceased member is still getting a newsletter or you know of someone who is not getting a newsletter but should be, please let the membership chair know**. (See above)