

# NOTICE:

## SRSRA TOWN HALL MEETING QUESTION/ANSWER PERIOD SUMMARY

*New Ellenton Community Center  
JUNE 27, 2014*

\*105 in Attendance

\*Meeting Agenda & Handout available

- **Dave Moody, DOE-SR Manager**
- **John Veldman, SRS Retirees Association (SRSRA) Board**
- **Dave Hepner, DOE-SR Acquisitions Operations Division Director**
- **Carol Barry, SRNS Benefits**

**Q: Why are their 2 columns on the chart (referencing handout)?**

A: Left column is ERISA minimum, which is the minimum payment required by law vs. 80% and because of our budget and DOE policy, we fund at ARISA minimum.

**Q: Why increases in premium costs?**

A: 5 years ago, we started looking at premium increases and contributions. Benchmarked against Corporate America. They were hedging up to 20-30% healthcare costs being born by consumer. Then, the economy tanked. We suspended that activity. We aren't going for 28% at this time. We are going for reasonable. Current employees suffer through pay freezes and furloughs.

**Q: Is anyone tracking increase associated with stipends?**

A: Yes, we are tracking. Stipend is close to being on bell curve.

**Q: My increase last year was 8%. What will it be 2014 to 2015?**

A: Stipends were never invented to cover all medical costs, only to defray them. There will be an adjustment, just can't say when. We need data first and are working with the IRS.

**Q: Reimbursements from WageWorks. Index starts at 1/1/2013. It was discussed at the Annual Retirees Meeting that some individuals have not filed for reimbursement, so money**

**is left over from that particular year. Now, in 2014, I exhausted my stipend from 2013, and then 2014 starts. Is there no distinction that separates 2013 from 2014? Where is this money coming from?**

A: We (SRNS) are working with WageWorks on a system modification so you know how you personally spend from each year to next. \$2400 got in 2013 does roll over, plus \$2400 from 2014. We are looking at first year data. ACTION: Can get screen shots from WageWorks on how to do this and include it in the posted meeting minutes.

**Q: Will Resource Center volunteers be able to help us in selecting My Medicare Advocate or another plan?**

A: Comment, Dave Hepner, DOE-SR: Applaud your (SRSRA Board) efforts in getting the Resource Center going. We have provided laptops, equipment, etc. Resource Center scheduled to open up in September. SRNS will help train the volunteers.

A: Lower Savannah Council of Governments (LSCOG) will educate clients on the pluses and minuses of the various healthcare plans. It is inappropriate for them to recommend a certain plan. LSCOG staff is trained Medicare specialists. That is another benefit of having the Resource Center located there. Volunteers manning the Resource Center will be trained in an 8 week course. They can't tell you what plan to take, but will be informative on what plans are out there. They will be able to assist you face-to-face on your selection of a plan. Remember, when you pick a plan, you have to stick with that plan.

**Q: People are having lots of problems with WageWorks – very frustrated. How long are we going to have to deal with them? Are you looking for a substitute?**

A: It is a 3-year commercial contract and we are at the 1 ½ year point. We are trying to work with WageWorks to improve. Not standing still waiting for an exit strategy. We realize WageWorks need to step up to the plate.

Comment, Retiree: We get different answers – they are very inconsistent.

A: We are going to look at it to try to prevent these problems. Also, those with Aetna policies, Aetna made that decision on their own. We are working with MMA and WageWorks on that. It was a corporate decision. As a customer, we (SRNS) weren't notified. They decided to pull out.

The key is getting MMA to work with Aetna, keep MMA as agent of record, and you won't lose your stipend. We weren't happy as a company with them. We are now working closely with them so there are no more surprises.

**Q: Is Wage Works competitive or were they just the lowest bid?**

A: Lowest price technically acceptable is our procurement focus. Can't tell you that they were the lowest or highest. You go with what is in front of you. This industry is brand new.

Healthcare costs have doubled, tripled, quadrupled. Bear with us. Are we probably going to get a better contract in the future? Yes, we will incorporate our lesson learned.

**Q: Why are retiree's spouses who are not 65 having to pay more than those currently working?**

A: Under the Affordable Care Act, healthcare prices are increasing and unfortunately, the retirees do have to pay more due to traditional health concerns, etc.

**Q: I got a letter about the stipend in the first 2 years and I spent all except \$2. With premium increases/inflation, the third year, there is not enough. We need more Stipend money.**

A: We are looking at the 3 year trends and will assess.

**Q: Why not 2 years?**

A: Stipends are not intended to cover all medical expenses. There needs to be a baseline.

**Q: If we have a Medicare Supplemental policy, we shouldn't need an MMA.**

A: We are looking at alternatives to MMA...but right now, to get the stipend you have to be on the MMA.

**Q: Why aren't we getting more stipend money to help take care of increases in insurance? It's basic inflation, we know it will rise. DOE needs to look at this.**

A: As far as stipend, we are looking at it. Have to have 3 years of data. Stipend does not cover all costs. We are looking for an alternative to buy products through MMA. We don't want to duplicate what we've already got. We (DOE/SRNS) will look at it.

WageWorks has rules in place to force you to use your own money rather than the stipend. We will look at that on the reimbursement side.

**Q: We hear MMA is restricting choice among the plans – where you have to buy it through MMA, and this is particularly burdensome. Understand why MMA was chosen, especially for those that live outside the CSRA. But don't understand why they are restricted to go to LSCOG or MMA.**

A: Over next 18 – 24 months, we will be looking at that. Recognize there are consistency issues with WageWorks. We will look at that.

**Q: You stated that if you sent retirees a check it would be taxable? Might there be a legal way, debit cards, to put on us the burden of proof that we are spending money on legitimate health costs without having to pay taxes?**

A: There are going to be lots of options considered. We need to develop our “want” list. WageWorks does have a national program using debit cards, although not in our contract. We will have to look at it. Your contractor oversight committee looks at these things. DOE does hold that group responsible for making the decision.

**Q: WageWorks appears built around computer-based access. Retirees Association recognizes that large amount of our members don't have computers. Take a poll, how many here are comfortable using a computer? OK, about ¾. It is primarily the older population. Consider that when looking at WageWorks. Raise hand – ¾ comfortable using a picture. Primarily older population and those who have physical limitations.**

A: We will consider that when looking at WageWorks issues.

**Q: You stated a committee has oversight of decisions – who makes up this committee?**

A: They are right here today, please stand. SRNS and SRR (benefits experts) comprise committee membership, several of which are also recipients of the plan.

Comment, Retiree: You said you (DOE) are looking at it, working on it. Suggest there be some forum for getting our suggestions, not our complaints, directly to this oversight committee and to you (Dave Hepner) as the contract oversight as you are looking at and working at all these things, you better understand our concerns.

A: Dave Moody, DOE-SR Manager: That's exactly why 'we' DOE/SRNS/SRR are re-establishing the quarterly meetings with the SRS Retirees Association Executive Board. There, concerns are voiced and we get urgent issues in front of those people who oversee the benefits/plans. This has worked well. Recommend your best avenue is to get your input, concerns to your SRSRA Board and then it can be discussed at our quarterly meetings, with appropriate direction or action given to the contractor.

A: John Veldman, SRSRA Board: Board members, we are your advocates. We have talked and met with DOE on these issues. We make more progress in small group discussions. Your best means for bringing up issues is to get up with your Board of Directors. You are always welcome to attend SRSRA BOD meetings.

A: Carol Barry, SRNS Benefits: We are also going to be helping at the Resource Center – very excited about this. It will help us be able to better understand your concerns firsthand. We have committed to work with all of the volunteers. We are in it for the long haul to try to make it work better.

**Q: For many retirees, the stipend goes unused. So, what happens to it?**

A: It is there, we are not going to pull it back. That money is committed.

**Q: For people who haven't filed to get reimbursed, are volunteers at the Resource Center going to reach out and find those people, help them?**

A: Carol Barry, SRNS Benefits: We will have laptops. If they can't come to use, volunteers can go to them. We are going to work with the SRSRA. We are just as concerned as you that people are not spending their stipend. We don't understand either and we will be doing what we can to reach out.

Comment, John Veldman, SRSRA Board: Dave Hepner mentioned people not using their stipend and it is money already "booked". You can save that money.

**Q: If you pass away – who gets the money?**

A: Your spouse could use it. It's a reimbursement account. A spouse or child can file for the estate. At the beginning of the year, this reimbursable account is set aside. The drawdowns

come out of that account through WageWorks. But it's associated with each individual or their spouses. If you have \$4800 and don't use it, your spouse can.

**Q: ERISA is the minimum required by law. Is there a penalty if the 80% isn't met?**

A: There is a penalty if the minimum is not achieved. The money comes from the Site overhead in the overall pension funding requirement.

**Q: Can you expand on the pension adjustment?**

A: (Reference handout) We are barely at 80% for 2014. The adjustment proposed would cost \$91M. Long-term cost is also factored into this amount. It was going to require \$122M to make it whole. That is in addition to the \$155M contribution we already make (Total \$277M). We don't have that money. We are budgeting to the ERISA minimum. Not going to say it's impossible, but would be difficult to accomplish.

We have probably paid \$12-\$15M in penalties when we dipped below 80% - out of SRS overhead account. It's not a good thing to be below 80% and we are doing our best to get it above. We have looked at way funds were invested. It's been a volatile stock market, with major losses in last 15 years.

Having a diverse portfolio, we are more stable in return on investments. We would love for it to be better. Until things pick up, an increase is not likely. Chart on back of the handout is for the defined benefit plan. For SRR and SRNS – fiduciary requirements will always be with the management and operations contractor (presently, SRNS).

**Q: On the chart, what is reason for decrease from 2021 to 2022?**

A: That is when we reach 100% funding. Under the law, we are required to have a plan.

**Q: Will 100% funding be achievable?**

A: This is a forecast and under law we are required to get there and it is our plan to do that. However, as a forecast, there was an artificial discount rate set for 7 years. After that time, it will either continue or be reset.

**Q: Part of this partnering is what can we do to help DOE?**

A: We can't encourage your engagement or lobbying with congressionals. But at the same time DOE is committed to work with you. If you have an issue, speak up – tell us where you have concerns. We want to address them. We care. We live in the community that we work in. We go out and we see you. It's not an 'us' versus 'them.' Some things are hard to change quickly. We also get frustrated as well. It takes time.

Dave Moody, DOE-SR Manager: SRS gets about \$1.2B in the Site budget annually; this may go up to \$1.3B or down to \$1.1B. When you look at employee/retiree medical benefits, that's 20% of the overall Site budget. To the extent we can bring in new missions and increase that number/budget, grow and have a future – it benefits you retirees too, lessening the percentage so we have more money to work with you on some of these issues.

I believe you (retirees) are some of best advocates we could possibly have. You know what we have done, you did it. You are our most informed advocates. Yes, do keep in-tune with opportunities for growth. As we grow, you will also have more opportunities.

The other thing you can do is don't let the issues with the reimbursements and retiree medical fester – please communicate them – to your SRSRA Board members and then to Resource Center once it's staffed.

We are not going to have all the answers. But the contractors (oversight committee) have some of the best, most dedicated individuals that want to help and improve things.

As you think of ideas that give you more flexibility, communicate those. We are going to stay engaged.

Comment, John Veldman, SRSRA Board: I look around and see a lot of people I worked with at SRS that are trying to work with retirees, assist us. As we collectively look at some of those issues, consider making them a priority in award fee and reward these good folks for digging in and getting the Resource Center. Not trying to manage contract for DOE. The attention follows the money.

Dave Moody, DOE-SR Manager: For SRR and SRNS, I'm the Fee Determining Official. That is why I'm at these quarterly meetings. The hard work is not lost on me. But we can look at how to factor this in.

**Q: Would you be willing to providing feedback on the things that you are working on?**

A: Dave Hepner, DOE-SR: Yes, we will be posting the minutes from this meeting, along with actions to take. We will also start posting the meetings from our quarterly meetings - on both the srs.gov and SRSRA websites.

We want you to leave here knowing we heard you and we are also concerned. We care and we are here for you. We can't make it a perfect world but we are going to try where we can.

Thank you all for coming.