



NRLN Focus

Volume 3, Issue 1

NRLN
NATIONAL RETIREE LEGISLATIVE NETWORK, INC.

Winter 2006

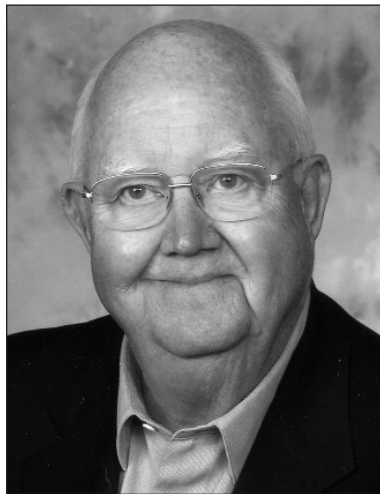
A VIEW FROM WASHINGTON

2005 was a “landmark year” for the NRLN. We achieved more in terms of our legislative agenda than in the six years since we were founded. I’m not big on looking back through the rear view mirror, but maybe a short review is in order.

First of all, we beefed up a bit by pulling together a professional, experienced team that functions as our staff in Washington. Because national legislation is what we’re about, our focus must be in Washington, D.C., where our lobbying efforts are beginning to “pay off.”

For the better part of a year we voiced our views, supported by facts, before the U.S. House and Senate committees charged with developing pension reform legislation. Out of this effort, the House passed the Pension Protection Act of 2005 (HR 2830) and the Senate passed the Pension and Security Pension Act (S.1783).

This congressional action was the result of a constant barrage of letters, e-mails, and telephone calls to Congress. With the resulting newspaper and broadcast publicity, it finally dawned on our elected officials in Washington that we were serious, angry, and carried a pretty big stick. There were endless compromises be-



A. J. “Jim” Norby

cause of the formidable attack by business interests on the committees’ members. The going was tough. In the end, we were satisfied that we had done all we could do – we wanted more, but were

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willing to accept the Senate’s compromise bill.

We found much in the House version that we wanted changed, and we’re busy working on that. Both of these bills now go to “conference” where House and Senate representatives will sit as a committee to reconcile differences between the two bills. April is the target date for this process to begin.

Looking ahead, the details for this year’s legislative agenda are on our NRLN Web site (www.nrln.org). Key elements of our program on pensions include:

- Strengthening the Employee Retirement Income Security Act (ERISA) from corporate renegeing.
- Tightening rules that corporations must follow in the use of the pension trust funds.
- Requiring faster and more complete reporting to participants of the financial status of their pension trusts.

Our agenda for 2006 includes a follow-up effort to impact the Pension Reform Conference Committee’s decisions. Issues we intend to lobby for include:

- Opposing any retroactive legalization on “cash balance”
- (continued on page 2)*



View from Washington
(continued from page 1)

plans while promoting provisions that protect older workers from discrimination.

- Opposing so-called “420” transfers, which is language that allows the funding threshold on pension trust funds to be lowered from 125 percent to 115 percent.

- Promoting stronger disclosure and reporting requirements on pension plan and investment allocation guidelines.

We are also working on the following health care issues:

- Promoting legislation that requires competitive bidding for Medicare Part D prescription drugs.

- Increasing Part D subsidy for employers that offer coverage more generous than Part D.

- Preserving retiree health coverage by restructuring HR 1322 in order to garner bi-partisan support.

- Supporting and lobbying for passage of Senate Bill S. 334 (sponsored by Sen. Byron Dorgan, D-North Dakota; Sen. John McCain, R-Arizona; Sen. Olympia Snowe, R-Maine; and Sen. Edward Kennedy, D-Massachusetts) allowing for the importation of prescription drugs.

- Supporting the National Committee on Health Care Act (S. 2007 sponsored by Sen. Ken Salazar, D-Colorado and Sen. John McCain) that creates a commission that would examine health care problems and issues and recommend to Congress, in a year’s time, a comprehensive plan for affordable health care.

Other issues on the agenda, as time and funding permit, are:

- Back Financial Accounting Standards Board (FASB) to demystify pension and health care accounting.

‘When we go to the Hill and present our case to Congress, they know we represent real people with real problems.’

- Eliminate income tax on Social Security income.

- Promote legislation to eliminate AGI (Adjusted Gross Income) requirement for deduction of non-Medicare health care premiums.

Much of our work necessitates the aid of other organizations with similar interests. They include the AARP, The Committee for the Protection of Social Security, The Pension Rights Center, and others. We do not agree on all things; but on those that we do, we form an alliance and work together as a team. This has proven to be a helpful strategy.

“Team” is an operative word in the NRLN. It is the manner in which we are organized. We are nearly all volunteers, including the members of our Grass Roots Network who reside in the home districts and states of U.S. representatives and senators. Whenever called upon, this grass roots group is trained and ready to represent NRLN positions to elected officials from their districts. The system we use in communicating with this group and others is a new technology called Capwiz. Both the Grass Roots Network and Capwiz are

discussed in this issue of *The Focus*.

We are going to expand the size and scope of our newsletter starting with this issue. Beginning with our next *NRLN Focus*, we will include a Letters to the Editor section. If you have a question, comment or criticism, please feel free to e-mail it to me: anorbz@aol.com.

This month the NRLN celebrates its sixth birthday. We have come a long way since forming because of the continued support we have enjoyed from folks like you. As you can tell from the preceding, there is much to be done. We will accomplish more as our funding permits. One of our adversaries in Washington is a lobbyist organization that represents big business – the ERISA Industry Committee (ERIC) – which spends more in one month in its lobbying efforts than our entire annual budget. When we go to the “Hill” and present our case to Congress and their aides, they know we represent real people with real problems. Again, I can report to you that the NRLN is now considered a source of factual information that Congress can use in the formulation of legislation.

Please share with your friends and neighbors what the NRLN is about and what it is trying to do for our older and retired citizens.

We need all the help we can get.

Stay tuned for reports and information by going to our Website: www.NRLN.org.

God speed and good luck.



NRLN WEB SITE AND E-MAIL ARE KEY COMMUNICATION LINKS

By Ed Beltram, Director
Media Relations/Capwiz

The Internet, Web sites and e-mail have become crucial communication tools in this electronic age. The NRLN, our association members and individual members are using these media to communicate internally as well as making their digital voices heard in our nation's capital.

The NRLN recently completed a major redesign of its Web site (www.nrln.org) to enhance communication with our members and congressional representatives on retirement legislative issues. We also want

to establish our Web site as a resource for any retiree or pre-retiree who wants information on retirement issues and for recruiting new members.

When you first log onto our home page you'll see a scrolling banner at the top that will carry important messages. We've added a Take Action Now! section that provides a "click here" link to our latest legislative Action Alerts and to sample letters for communicating with your U.S. representatives and senators on important pension and benefits issues. This section also calls attention to the Write to Congress icon where you can type in your zip code to identify your senators

and representatives and send messages to them.

This section also provides links to key legislative bills on pensions, health care, Medicare, Social Security and other legislation important to retirees. Stored in these headings is a brief description of each bill, a link to its entire text, an update on its current status and a NRLN position statement. The home page explains the NRLN's legislative priorities designed to protect the pension plans and retirement health care benefits of retirees. There are three different places on the home page where visitors are invited to Join Us.

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NRLN Datelines

February 1, 2006 – NRLN issues a news release condemning corporate lobbying efforts to gut pension reform legislation.

January 30, 2006 – The Associated Press and New York Times report comments from Labor Secretary Elaine Chao, who described the nation's troubled pension system as a priority for the Bush administration.

January 24-25, 2006 – NRLN Leadership Conference in Washington, D.C.

January 4, 2006 – TelCo Retirees (California/Nevada Pacific Bell) joins NRLN as a Primary Association.

December 19, 2005 – NRLN President A.J. "Jim" Norby sends a letter to Ranking Member of the Senate Finance Committee Sen. Max Baucus criticizing the last minute inclusion of language in the Pension Security and Transparency Act that would lower the 125 percent funded threshold for Section 420 transfers to 115 percent.

December 12, 2005 – NRLN President A.J. "Jim" Norby sends a letter to President George W. Bush applauding his speech in Kernersville, N.C., where he called on American corporations to honor pension promises made to workers and retirees.

December 6, 2005 – NRLN President A.J. "Jim" Norby sends a letter to Speaker of the House Rep. J. Dennis Hastert in support of pension reform legislation.

November 17, 2005 – NRLN issues a press release applauding Senate passage of the Pension Security and Transparency Act.

November 10, 2005 – NRLN issues a news release urging Congress to act on stalled pension reform legislation.



NRLN Web Site and E-mail (continued from page 3)

A new **Navigate Site** on the left side of the home page connects visitors to several interactive sections that include:

- **NRLN Messages**, providing access to news releases, past issues of *NRLN Focus*, Action Alert Bulletins, talking points and correspondence to key legislators from NRLN President A.J. “Jim” Norby.
- **Member Support**, containing contact information, instructions for joining NRLN, useful links for retirees and a **Sign-Up for NRLN e-mails** feature where you can register to receive all on-line messages from the NRLN. Once you’ve registered with your name, e-mail and postal address, you will automatically receive all e-mail correspondence.
- **Press Clips Links** featuring articles posted regularly on pensions, health

‘When hundreds or thousands of messages arrive in the Web form to a member of Congress from his/her constituents, they are bound to take notice.’

care, legislation and other timely news of special interest to retirees.

- **NRLN Organization** with directories of member associations, Board of Directors and a breakdown of action committees.
- **Archives** containing past news articles, correspondence, news releases and miscellaneous information.

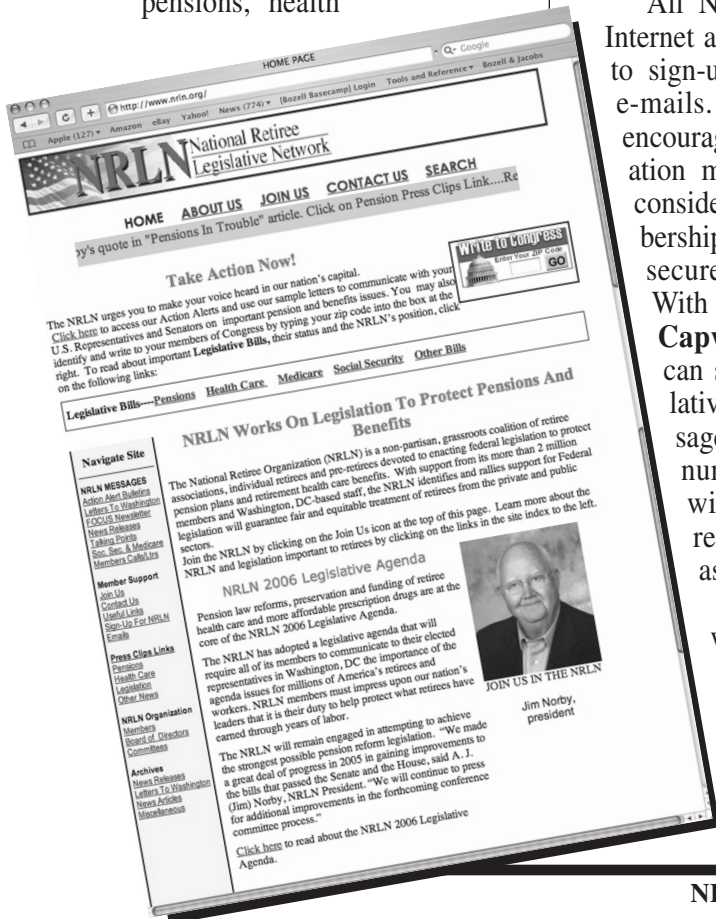
All NRLN members with Internet access are encouraged to sign-up to receive NRLN e-mails. The NRLN has encouraged its retiree association members to seriously consider placing their membership lists in the highly secure **Capwiz** system. With more names in the **Capwiz** system, NRLN can send important legislative **Action Alert** messages directly to a larger number of individuals without having them relayed through an association e-mail.

There are times when it is critical for constituents to immediately send a letter to their federal legislators. The

Capwiz system provides the capability for instantaneously distributing an e-mail to thousands and provides a “click here” link to a sample letter that can be placed directly into U.S. senators’ and representatives’ Web forms. When hundreds or thousands of messages arrive in the Web form to a member of Congress from his/her constituents, they are bound to take notice.

If your retiree association board has not authorized placement of its membership list in the **Capwiz Users List**, you may sign up as an individual to receive NRLN e-mails. There is no cost for being “subscribed” to NRLN messages and no one other than NRLN officers and staff will ever see your contact information.

If you have Internet access and have not visited the NRLN Web site, or have not accessed it recently, you are invited to visit www.nrln.org. There are links on the Web site to provide us with feedback if you see anything that needs to be changed or want to suggest that something be added to the Web site.





-- NRLN LEGISLATIVE UPDATE CORNER --

PENSION 'FREEZE' LEAVES MANY RETIREES OUT IN THE COLD

By Bill Kadereit, Vice President Legislative Affairs

As we go to press, new corporate activities that threaten retirees and pre-retirees are being reported. The "freezing" of pension accruals for older workers and reduction of promised benefits have been announced by General Motors. We think this is a harbinger of things to come.

From time to time, we will report notable legislative happenings regarding our 2006 Legislative Agenda (see <http://www.nrln.org>) and any new pension or health care issues that face NRLN retirees. Today, the focus is on cash balance and pension "freeze." Eliminating age discrimination in cash balance plans is the aim of the NRLN. While many NRLN associations and members are not directly affected by cash balance plans, we all need to be aware that these plans have been the precursor to the new pension



Bill Kadereit

"freeze." The first step toward instituting a cash balance plan is to freeze your accrued benefit under your existing plan.

When a company substitutes its defined pension plan for a 401K plan, it "freezes" your accrued pension benefits until they become available at retirement. By implementing a "freeze," the company believes it no longer needs to fund its

traditional plan. The company sees a "freeze" as a way to avoid legal problems related to cash balance plans made popular in the early '90s. And when times are bad, the company can stop matching employee savings in its 401K plans.

Bill Jones, President of BellTel Retirees and his Board are actively dealing with Verizon's recently announced "freeze" on pensions of certain management employees. Bill has agreed to take the lead in examining the legality and consequences of pension "freeze" and to recommend legal and political strategies that NRLN can advance on this issue.

But, to make one thing certain – the NRLN will not stand by and watch still another encroachment of retiree rights being trampled by their former employers. We will research, seek professional guidance, and act as effectively as we know how.

-- REPORT TO THE MEMBERSHIP --

NRLN BOARD SETS 2006 LEGISLATIVE AGENDA AT ANNUAL MEETING

The annual meeting of the NRLN held in Washington, D.C., experienced the largest turnout of leadership from member associations since the organization was founded six years ago. The majority of member associations attending the two-day session

listened to presentations, asked questions, offered comments and suggestions, and presented constructive criticism.

The first day, Jan. 24, was devoted to presentations by three different groups of panelists made up of congressional and

senatorial senior aides. Discussion topics ranged from pension reform legislation in the U.S. Senate and House of Representatives to the so-called Pharmaceutical Market, Access and Drug Safety Act (S. 334) *(continued on page 6)*



Report to the Membership

(continued from page 5)

introduced by Sen. Byron Dorgan (D-North Dakota). One panel addressed the National Committee on Health Care Act (sponsored by Sen. Ken Salazar, D-Colorado and Sen. John McCain, R-Arizona) which calls for a 20-member national commission on health care to study government, public and private health care alternatives.

Attendees were also updated on NRLN efforts regarding the Financial Accounting Standards Board (FASB) accounting rules and tax items.

Following numerous related discussions on legislative issues affecting pensioners and older Americans, attendees were polled and a consensus was reached on a Legislative Agenda for 2006.

NRLN Board action

The board of directors meeting on Jan. 25 formalized the 2006 Legislative Agenda approved by the general membership on the previous day. An overview of the legislative agenda is presented in The View From Washington column in this newsletter.

A budget was approved and standing committee assignments were made. Notable among the committee assignments is JoAnn Alix-Gagain as Membership Chair. Nearly all of the members now have standing committee or "oversight" responsibilities on



NRLN Board discusses issues at Washington, DC meeting with Association members in attendance.

behalf of the board of directors. The list for these chairs can be found on our Web site: www.nrln.org.

The board of directors confirmed a decision made during a December teleconference meeting to increase the dues from \$2 to \$3 per dues-paying association member. Under NRLN bylaws, "Primary" Associations will pay \$3 for each of its members. Fledging Associations that are just getting organized and are not yet financially able to pay the \$3 per member rate, are to pay a suggested minimum of \$500 per year in dues, or a level they deem appropriate. These so-called Associate members are expected to migrate to Primary Associa-

tion status in due time. Dues for individual, at-large members will increase to \$15, \$20 or \$25.

Significantly, the 2006 budget reflects a 20 percent increase over last year. Nearly all of this increase will be directed to our lobbying efforts in Washington.

Bylaws Chair Dick Ciocca presented several refinements and modifications which were accepted by the board following discussion. The board also voted to make copies of the bylaws available through the office of the president and by the secretary/treasurer.

The NRLN Board agreed to meet periodically by teleconference and scheduled its next face-to-face meeting in Chicago, June 29, 2006.

'Significantly, the 2006 budget reflects a 20 percent increase over last year. Nearly all of this increase will be directed to our lobbying efforts in Washington.'



-- *NRLN HEALTH CARE COMMITTEE UPDATE* --

PUBLIC FORUM, PROPOSED LEGISLATION ARE ACTION ITEMS

*By Mimi Hull, President, Association of U S West Retirees (Qwest)
NRLN Committee Chairperson, Affordable Health Care*

The NRLN Health Care Committee continues to pursue viable solutions to the health care crisis in America by monitoring congressional events and legislation. The committee has adopted the National Coalition on Health Care report (available at www.nchc.org) as a reference when evaluating relevant bills or proposals.

The Health Care Committee is scheduled to report on NRLN activities and initiatives before the Citizens Health Care Working Group, which was created by Congress under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The Working Group's mission is twofold:

- Provide for a nationwide

public debate about improving the health care system to provide every American with the ability to obtain quality, affordable health care coverage,

- Provide for a vote by Congress on the recommendations that result from the debate.

The schedule of hearings, which will continue through May, is posted on the Citizens Health Care Working Group Web site, www.citizenshealthcare.gov. Public opinions gathered during these community forums will help form a citizens' action plan for the President and Congress to consider as they work to make health care work for all Americans. Key questions to be answered include:

- What health care benefits

and services should be provided?

- How does the American public want health care delivered?
- How should health care coverage be financed?
- What trade-offs are the American public willing to make in either benefits or financing to ensure access to affordable, high-quality health care coverage and services?

The NRLN Health Care Committee is also evaluating two bills that address health care issues: the recently introduced "Medicare for All" (S. 2229) sponsored by Sen. Edward Kennedy (D-Massachusetts) and the "American Health Benefits Act of 2005" (H.R. 4256) sponsored by Rep. Jim Langevin (D-Rhode Island).



MEMBERSHIP/DONATION

The NRLN is a nonprofit, tax-exempt organization. Contributions are not tax deductible.

NAME: _____

ADDRESS: _____

E-MAIL: (if available) _____

RETIRED FROM: _____

Mail this form with your check or money order for \$15, \$20 or \$25 (or more if you can) to:
NRLN, Inc., P.O. Box 18757, Washington, D.C., 20036-8757



YOU CAN HELP IN THE FIGHT TO PROTECT YOUR BENEFITS

*By C. William Jones, President, Association of BellTel Retirees
Director of NRLN Grass Roots Network*

Join the NRLN Grass Roots Legislative Network team and help us to protect retiree pensions and benefits.

We need volunteers who are on the Internet and are willing to respond to our legislative alerts. Most of the work can be performed on your home computer. Our objective is to identify volunteers in every single Congressional District in the country.

NRLN will e-mail an alert to you explaining the importance of a piece of pending legislation and explaining what we want you to do. You then can access an

e-mail letter, personalize it and send it to your representatives in Washington.

We also ask that you create a distribution list in your e-mail address book of friends that might be interested in these legislative issues. After you respond to the alert, you can simply forward it to your distribution list with a short personal note.

To sign up, e-mail Bill Jones at cwilliam@goeaston.net. Please include your mailing address, telephone number and e-mail address and indicate that you want to join the Grass Roots Network.

National Retiree Legislative Network, Inc.

We seek to secure federal legislation that will guarantee the fair and equitable treatment of retirees in private and public sectors, health and pension programs, and will improve the adequacy of benefits provided by such programs. Also, we are committed to watch for and stop legislation that threatens retiree health and pension programs.

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