

Engineering Retirees Society

Quarterly Meeting

The quarterly meeting is June 3 at the IAM Hall at 12:30 p.m. Come early! 12 noon for sandwiches, coffee and other goodies.

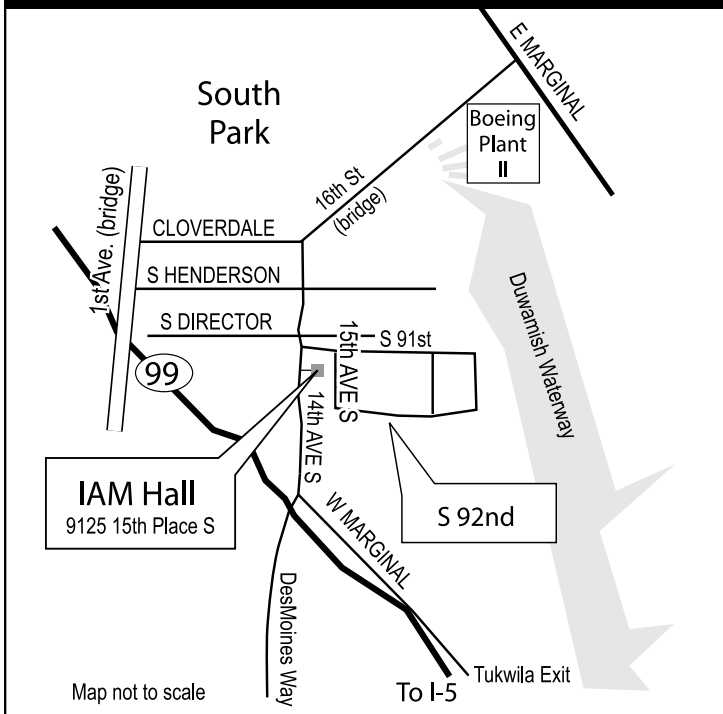
This will be our first Bring-a-Friend day.

If they are formerly represented by SPEEA, that's great. If not, then at least they'll get a lunch.

Featured speaker: Guest speaker for our June 3 quarterly meeting is Dan Styman from the Washington State Attorney General's Office. He will be speaking about identity theft and internet scams. I am sure the topic will be captivating.

Editor's note: This meeting was planned for tele-video between SPEEA Everett and SPEEA Tukwila, but adequate overflow parking was not available in Tukwila.

HOW TO GET THERE



Investment group meetings

Investment group meetings are held at the SPEEA office in Tukwila. We meet at noon for sandwiches, chips, cookies and drinks and a speaker at 12:30 p.m. Our May speaker was Jordan Pomeroy from Edward Jones in Burien. His topic was rebalancing portfolios. The next meeting is July 15. We have quite a few couples at the meetings, so bring your partner and your best friends.

- President Dave Watt and investment co-chair

Elected officers are:

President	DAVE WATT 425-868-5603
Vice President	DWIGHT ROUSU
Secretary	JIM EWING
Treasurer	ED STANLEY
Steering Board Chair	DAVE HUNTMAN 425-868-0961 davidhuntman@verizon.net
SPEEA Contact	Dawn Hanks dawnh@speea.org

The current appointed Committee Chairs and Reps as follows:

Badges	Tom Mechler
Communications (website)	David Westman/Stan Lind
Finance	Stuart Buchan
Governing Doc.	Ken Frazier
Insurance	Dick Ferguson
Investments	Dave Watt/Ken Kuehnl
Membership	Joe Gregg
Nominations & Elections	OPEN
NRLN/ARA Liaison	Dave Watt
Pension	David Westman
Programs	Dave Watt
Refreshments	John Meeker/Dave Huntman
Service	Gary Palmer
Social	Dave Huntman
SPEEA Liaison	Dick Ferguson
Sunshine	Charles Hennig
Taxation	OPEN
Travel	Gary Palmer

We wish to thank all the people who fill chair positions and invite others to apply for those that are not yet filled.

From the president's corner

Romayne and I recently went to the opening night of Pacific NW Ballet production of 'All Balanchine'. Seattle is blessed with an outstanding ballet company. The performance was marvelous, but the theater was almost half empty. The Seattle Opera, Seattle Art Museum and the Seattle Symphony are also suffering from

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Message from National Retiree Legislative Network (NRLN)

To: NRLN Board Members and Association Presidents

The NRLN is fast approaching completion of all the white papers in support of our priority legislative projects and we are making progress on Capitol Hill. We are planning to support this focus, preparation and lobbying in the future in Washington with more intensity and support to rapidly reinforce the growth of grassroots volunteer effort in all states. More details on this will be made available between now and July.

From April 9, 2009, through April 10, 2010, we added over 19,000 "active" members to the Capwiz database. This 60% increase has taken us to over 51,000 'total actives' and is a 10-fold increase over the 2005 year end number. Today, when we send a Capwiz message, it reaches 51,000 but on a real good day, only 10,000 send messages. Not bad but 20,000 sure would be a lot more meaningful.

Effective grassroots work starts with you. A review of the Capwiz messages sent by board members and association presidents shows that we are not leading the way, this includes me. Now it is time to finish the job of building out-of-state networks and to get our grassroots effort energized. Now is the time for each of us to focus on 100% commitment and execution of our lobby plan. Please assign a director of legislative affairs and grassroots. Please demonstrate the leadership and commitment to grassroots.

As you know, we have set Sept. 20 and 21 as the dates for a second grassroots Fly-in. Monday, Sept. 20, will be a travel and orientation day (starts at 2 pm), where prepared booklets and instructions will be provided and Tuesday, Sept. 21, will be our day on the Hill. Last year, we had ~60 attendees but 25+ were Delta salaried retirees who will not be attending in 2010. I need your support.

The NRLN will host a cash bar and dinner, Sept. 20, and we will provide local transportation to and from the Hill on Sept. 21. Last year, about half of the attendees stayed to make more lawmaker visits and to attend a meeting with the PBGC on Sept. 22. The hotel cost was \$179 + tax.

Bill Kadereit, NRLN, (972) 722-5928

- ERS President Dave Watt.

ENGINEERINGRETIRES.ORG

The ERS Web site is up and functioning. Contacts; Newsletter; Bulletins; Minutes of Board and General meetings and more are now online. Go to:

ENGINEERINGRETIRES.ORG

Then click on "ENTER WEBSITE HERE". From there, choose what you want to see, such as 'NEWSLETTER', and you will see the most up-to-date information.

Also, the NRLN website may be accessed from our site.

Current e-mail address

Please make sure that we have your current e-mail address. Now that we are online, all members with e-mail addresses on file will receive an e-mail including the newsletter and stating that the Newsletter has been posted to the website for viewing. This is about half of the membership. The savings will be about \$400 per quarter by reducing to 50% the number of newsletters to be mailed.

The following people's e-mail addresses were bounced at the last mailing.

John Eberly, Leon Hill, James Jollimore, Sandra LaGrone, Unn Maeland, John Monk, George Smith, George Swinford and Frank Utley.

We have had some revisions and additions to the e-mail lists sent in. Will all members please continue to inform us of their correct e-mail address so that we may further update our records? Now that we have a website, it is expensive to have e-mails returned due to non-delivery.

(As always this data is not made available to the public for any reason, unless we have your express permission!!)

Would you please send your correct e-mail to Stan Lind at stanlind@verizon.net. We apologize if the errors are due to our typing.

- Stan Lind, assistant web master

From the president's corner ... (continued from page 1)

the recession. Now would be a great time to stretch and attend one of these events.

ERS is also suffering from declining membership and attendance at our quarterly meetings. You can help by attending the quarterly and the investment meetings. Bring your partner and invite your friends to attend with you. Make it an outing! A lot of our friends and former work mates do not know there is a 'retiree organization'. Talk to them about ERS and invite them to join. Remember that our focus is protecting retiree benefits through legislation and lobbying. (See the article in this newsletter on NRLN individual membership).

Letter from the NRLN and Dave Watt

Dear Engineering Retiree Society member,

Boeing retirees still have a sizeable level of company-sponsored health care benefits compared to retirees from a number of other major American companies. As you may know, Boeing has stated it would record \$150 million of costs due to the new health care legislation. Previously, Boeing received a tax-free benefit from the government to subsidize prescription drug benefits for Medicare-eligible retirees. Under the new health care bill, Boeing will no longer be able to deduct that subsidy. While we hope Boeing does not compensate for this loss by reducing retiree benefits, AT&T and other companies, who also booked large costs because of this issue, have indicated they will cut back retiree benefits.

The health care bill recently passed by Congress helped retirees some, but Congress has yet to pass a protection law that will keep retirees secure. Instead, they are preparing to use reductions in Social Security and Medicare benefits to help balance the budget. The National Retiree Legislative Network (NRLN) is the only nationwide organization solely dedicated to gaining federal legislation to protect your benefits and pensions plus preserve Social Security and Medicare. Your support is needed to help the NRLN do its work for you as indicated below.

- **Preserving Boeing-Sponsored Benefits:** While you still have health care benefits, it is time for action to be taken to ensure the continuation of the benefits. The NRLN is advocating legislation for what it calls a Maintenance of Cost Payment (MCP). This proposal would establish a fixed monthly payment to retirees equivalent to the value an employer-provided (prior to the reduction or cancellation of retirement) health care, prescription drugs, life insurance, long-term care or other benefits. Companies would be entitled to tax credits as an offset to MCP payments.
- **Protecting Boeing Retirees' Pension Plan Assets:** The NRLN advocates legislation that would prevent corporations from taking pension assets from defined pension plan trusts to pay for lump sum severance and early retirement incentives. We succeeded in getting the lump sum protection language in a proposed bill and hope for passage soon. The NRLN advocates that pension funds not be used to pay executive non-qualified pensions and other deferred compensation. The NRLN advocates that pension plan assets should not be transferred to or be taken over by third party financial or other institutions. The NRLN is seeking the protection of plan assets in order to generate surplus assets that can be used for pension Cost of Living Adjustments (COLAs) or to offset corporate health care costs for retirees.
- **Protecting Social Security and Medicare:** A number of our lawmakers are talking about the need for Social Security and Medicare reform this year. The NRLN will fight against any proposed reduction to retirees' Social Security and Medicare benefits. In addition, the NRLN continues to lobby for a broad range of legislation. Here are examples:
 - **Catastrophic Coverage in Medicare:** The NRLN advocates that Congress extend protection against catastrophic medical costs to the Medicare population by setting a reasonable maximum limit on out-of-pocket costs. This would protect Boeing retirees if Boeing ends company-sponsored health care benefits when a retiree becomes eligible for Medicare.
 - **Reduce Cost of Prescription Drugs:** The NRLN advocates the reduction of prescription drug costs through legislation that: (1) Enables re-importation and importation of safe, FDA approved prescription drugs; (2) Enables Medicare to develop formularies and take competitive bids for prescription drugs; (3) Staffs and funds the FDA to reduce the generic drug approval backlog; (4) Prevents drug companies from colluding to subvert free-market practices.

How You Can Help: If you have internet access and do not receive NRLN emails, you should sign up at <http://capwiz.com/abtr/mlm/signup/> and ask your friends to sign up. When you receive an NRLN Action Alert, email the NRLN's letter to your members of Congress. Also, please make a financial contribution of \$25, \$50, \$75 or more. Any amount you can contribute will be appreciated. You may make your check or money order payable to **NRLN, Inc.** and mail it with the contribution form below. Or, make your contribution online with a credit card through PayPal on the NRLN website at www.nrln.org. Click on the 'Membership' tab on the home page and select "Support the NRLN." If you have already made a 2010 contribution to the NRLN, thanks for your support.

Sincerely,

Bill Kadereit
President, National Retiree Legislative Network

Dave Watt
President, Engineering Retirees Society

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

Name: _____ **Age:** ___ under 55; ___ 55-64; ___ 65 or over

Address: _____ **City:** _____ **State:** _____ **Zip:** _____ **Zip + 4:** _____

Phone: _____ **Email Address (if available):** _____

I get my retirement benefits from _____ **(name of company)**

Mail this form with your check or money order (no cash please) for \$25, \$50, \$75 or more (any amount will be appreciated) **payable to NRLN, Inc., P.O. Box 18757, Washington, D.C. 20036-8757**

From the ERS Board

We recommend that you join the NRLN as an individual member. You will receive their newsletter in a more timely fashion than is possible when we reprint it in this newsletter. It will keep you up to date on their activities on your behalf.

Please give serious thought to joining! For more information call 1-866-360-7197 or go to their website www.nrln.org.

About Boeing's letter about new drug plan for prescription drugs.

From Stan Sorscher, SPEEA staff

I got several calls about the letter Boeing recently sent out to retirees. The letter is confusing, but I think the substance can be explained directly.

In 2003, Medicare law was changed to require retirees to enroll in Part D plans. Anyone failing to enroll in a Part D plan would be subject to higher premiums later on, if/when they chose to enroll at a future date.

Boeing's Medicare Supplement covers prescriptions, and the Boeing Medicare Supplement qualifies as "creditable coverage," which means that Boeing retirees enrolled in the Aetna Medicare Supplement are not obligated to get separate Part D coverage – the Boeing plan was "good enough" to avoid penalties under the 2003 Medicare bill.

Recently, Boeing decided to upgrade their prescription coverage to qualify as an official Part D plan under the 2003 Medicare revisions, not just creditable coverage. By doing so, Boeing would receive a small subsidy from the federal government.

However, by qualifying as a Part D plan, we now face the situation where an individual might be enrolled in two or more Medicare Part D plans. This is forbidden. Retirees may be in that situation because they had Boeing Medicare Supplement, plus another non-Boeing Part D plan. Once Boeing's Medicare Supplement becomes an official Part D plan, those retirees with dual coverage will need to keep one and drop the other.

Their letter explains the conditions where the retiree will lose the non-Boeing coverage, and other condi-

tions where the retiree will lose the Boeing coverage.

- Stan Sorscher, SPEEA staff

The following is more information from Dick Ferguson and Stan Sorscher

Here is something more that I have been contacting Stan Sorscher about. One of our members raised the question that he had somehow managed to get two supplements to Medicare, and wondered what that would do to him now that Boeing has made their drug plan a Part D-type of plan. Stan Sorscher replied to that with, in general, Boeing had sent a letter to all retirees which explained that retirees on Medicare could no longer have two supplements. I then worried about what might happen if people went to the Medicare Advantage plan and it was later unfunded (or lesser funded) as happened several years in the past. Stan's response is shown below, which would be a good thing for our members to review.

- Dick Ferguson, insurance chair

Medicare supplement - part II

Actually, when I talk to retirees about Medicare Supplement, I try to raise two points.

- 1) If you drop the Boeing Medicare Supplement, you can't re-enroll later. That means you will be "in the

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Medicare supplement - part II ... (continued from page 4)

market" from then on. Even if you are happy with a non-Boeing Medicare Supplement, their formulary may change or they may change the network, and everyone in the plan would face the possibility of needing to switch. Your situation, where a plan terminates, is an extreme version of that risk.

- 2) Medicare Advantage plans are attractive because they are heavily subsidized. In the health insurance debate, one of the undercurrent discussions was about reducing the Medicare Advantage subsidy. If that happens, anyone who dropped the Boeing Medicare Supplement would have crossed a bridge with no way to get back.

My personal observation is that the Boeing Medicare Supplement has very good coverage, but has a high premium. I get phone calls from retirees who are totally convinced they were right to drop the Boeing coverage. A very knowledgeable friend of mine admitted she was a little embarrassed to drop her Boeing-style Medicare Supplement to take a Medicare Advantage plan. She expects Congress to drop the subsidy, but she wants to take the free ride while it's there.

- Stan Sorscher, SPEEA Staff

Engineering night school - faculty/ advisory board needed

The following letter was received by ERS:

I am Anthony (Tony) de Sam Lazaro, the dean of engineering at Saint Martin's University.

As you may be aware, the School of Engineering is offering its mechanical engineering program in collaboration with the University Center in Everett Community College. We are proposing to start the program this summer with an initial intake of about 10 students and hope to grow from there to a sustainable 25 students in two cohorts. We intend to run this as an evening program so that folks from local engineering firms (Boeing included) may be able to advance their education without having to leave the area. Classes will be offered so that students who are prepared to start can go full time and complete their program in two years, or part time and complete it in about 3.5 years.

I would be grateful to you for assistance in a couple of areas – primarily in identifying engineers (either in the field or retired) who would be willing to teach a course or two for us at Everett CC. (I think engineering can best be taught face-to-face rather than on-line and best by folks who have been in the field. All my faculty here in the main campus have at least 10 years experience in industry).

Later this year, we will be assembling an Engineering

Advisory Board and would be delighted if some of the members of SPEEA or retired engineers could spend about two hours, twice a year, to help us shape the program to what is needed in the area. For the first go round, we are getting the students 'warmed up' with core courses of manufacturing, thermodynamics and fluid mechanics. We would like to offer specialized courses based on the demand for particular expertise in area businesses and industry. If you could identify a couple of candidates, I will approach them and chat with them about our program.

Thank you for any assistance in these two areas.

Sincerely, Tony

Anthony de Sam Lazaro PhD PE
Professor and Dean
School of Engineering
Saint Martin's University
Ph: (360) 438-4553 and FAX: (360) 438-4548

Precis of minutes for the March quarterly meeting

ERS President Dave Watt called the meeting to order at 12:34 p.m.

The ERS budget was reviewed and approved.

Good of the Society: Dave Watt thanked past president Ken Frazier for all the hard work he had done while serving as president of the Society.

We had one new member, Sharon Moats, and one first-time attendee, Bob Omori.

Guest speaker: Our guest speaker was Jared Adams, an estate-planning attorney who is also an adjunct professor at the University of Washington Law School. He talked about conversions to Roth IRAs and estate taxes. Many people who convert traditional IRAs to Roth IRAs will benefit the federal government, but not themselves, or their heirs. He also stated that there is no *federal* estate tax in 2010 but *Washington state* will tax estates greater than \$2 million.

Minutes: The minutes of the December 2009 quarterly meeting were available in printed form and were approved as printed.

President's Report: Referred to his printed president's report and urged us to respond quickly to NRLN Action Alerts.

Vice President's Report: In his printed report, Dwight Rousu told us that he was writing small articles that could be printed in the SPEEA Spotlight on a space-available basis.

Former Vice President's Report: In his report, Dick Ferguson (who was not at the meeting) wrote that on Feb. 10, he spoke to about 70 pre-retirement people at a meeting in Tukwila.

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On the lighter side:

I have a question - actually a few:

- If four out of five people SUFFER from diarrhea... does that mean that one out of five enjoys it?
- Why do croutons come in airtight packages? Aren't they just stale bread to begin with?
- If people from Poland are called Poles, then why aren't people from Holland called Holes?
- If it's true that we are here to help others, then what exactly are the others here for?
- What hair color do they put on the driver's licenses of bald men?
- Why do they put pictures of criminals up in the Post Office? What are we supposed to do, write to them? Why don't they just put their pictures on the postage stamps so the mail carriers can look for them while they deliver the mail?
- Is it true that you never really learn to swear until you learn to drive?
- As income tax time approaches, did you ever notice: When you put the two words 'The' and 'IRS' together, it spells 'THEIRS'?

Passages

Charles C. Ling, of 12900 NE 71st, Kirkland, passed away. No other information available at this time.

Sheridan T. Bracken passed away. His address was P.O.Box 858, LaCenter, WA 98629-0851.

Glen E. Miller, (wife Delma J.), passed away October 2009. The widow's address is P.O. Box 54196, Redondo, WA 98054.

Edward A. Delanty, (wife Myoko U.), died during October 2009. The widow's address is P.O. Box 78326, Seattle, WA 98178-0326.

Matt Ferriole, a member of ERS and a colleague, passed away Aug. 4, 2009. Matt had a degree in Mechanical engineering, but worked primarily as an electrical engineer at Boeing for 33 years.

Sheridan T. Bracken, P.O.Box 858, LaCenter, WA 98629-0851.

Walter Longwill, 1701 147th Ave. SE., Bellevue, WA 98007.

(We do not have any other information for the above-named members.)

Precis of minutes for the March quarterly meeting

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Treasurer's Report: It was reported that the value of the Society's accounts was \$30,372 as of March 4.

Steering Board Chair's Report: Reported that the ERS newsletter was published "in good time" before the meeting. He told us that the next Steering Board meeting would take place on May 27 at the SPEEA hall in Tukwila.

Committee and Rep Reports: Dave Watt told us that the details of the NRLN annual meeting, which he attended, were in our newsletter and on the NRLN Web site at www.nrln.org. The next ERS investment meeting would be on March 18 at the SPEEA hall in Tukwila, at which time Terry Cole would talk about current market conditions and changes to tax laws. He also said that subjects for future quarterly meetings were Metro ORCA cards, the King County Council, and internet scams and home security. In his printed Insurance report, Dick urged us to be very careful before signing up for a new Medicare plan. Badges Chair Tom Mechler told us that about 45 people were in attendance and urged that everyone sign in. He asked those who did not have permanent blue ERS badges to leave their temporary badges with him so that names could be added to the inserts. Membership: Joe Gregg reported one more member than we had at the previous quarterly meeting. Communications Chair asked us for any comments about the ERS Web site. He would remove from our web minutes that were more than one year old. Gary Palmer reported that he was working on discounts and asked for any discounts that we might be able to use. Gary also told us about the Telephone Communications Museum located on East Marginal Way So. in Seattle. Chuck Hennig reported he had mailed two cards to the families of recently deceased members.

Unfinished Business: Dave Huntman reported he had not attended a January pre-retirement meeting in Everett because the meeting had taken place on the day of his wedding anniversary.

Dave Watt announced that the next quarterly meeting would be held at the SPEEA halls in Everett and Tukwila with video conferencing. He said that the September quarterly meeting would be a "Ladies' Day" with flowers, a cake, and a \$25 gift certificate as a door prize.

New Business: Treasurer Ed Stanley announced that we had paid dues of \$2,208 to NRLN.

The meeting was adjourned at 2:10 p.m.

Respectfully submitted, James M. Ewing, secretary

Welcome new members

Welcome to: Raymond G. Irion, Robert L. Convery and Cheryl J. Schmardebeck.

New member attending: Sharon Moats, and one first-time attendee, Bob Omori.

- Dave Huntman, newsletter editor