



**2010 Issue 1**

# THE RETIREE GUARDIAN

*Newsletter of AUSWR — Representing Retirees of  
U S WEST, Qwest and their predecessor companies*

[www.uswestretiree.org](http://www.uswestretiree.org) [www.qwestretiree.org](http://www.qwestretiree.org)

## *Pensioner Death Benefit Eliminated for Estimated 27,000 Retirees*

### **Retirees Saddened at Loss of Howard Rickman**

AUSWR Ombudsman, leader of state Retiree Advocates, and a founding voice of Qwest retirees are only a few ways to celebrate his contributions to all retirees.

*For more about Howard,  
go to story on page 4*

### **Nelson Phelps**

*AUSWR Leader  
'Retires' ...page 2*

Following a more than six-year court battle by AUSWR to prevent the loss, Qwest announced the elimination of the Pensioner Death Benefit effective March 1, 2010.

In a two-page letter dated December 28, 2009, —one focused primarily on telling shareholders about cost-cutting initiatives --near the last paragraph, retirees are told about the elimination of the Pensioner Death Benefit.

A Qwest spokesman acknowledged to a *Denver Post* reporter that elimination of the Pensioner Death Benefit strengthens Qwest's financial

standing on Wall Street by reducing the company's liabilities by approximately \$220 million - the amount Qwest estimates it would have paid to the beneficiaries of eligible retirees.

"It's been the pattern of Qwest since (former chief executive) Dick Notebaert was with Qwest that they are taking away from retirees' promised benefits," Nelson Phelps, former AUSWR Execu-

tive Director, told the *Denver Post*. Again it is believed by many retirees that Qwest thrives on the "backs of its retirees."

*(See more on story on page 7)*

**Do not be confused. Your Group Life Insurance in the amount of \$10,000 is not affected by the elimination of the Pensioner Death Benefit on March 1<sup>st</sup>.**

**Legal action filed by AUSWR to restore the Group Life Insurance remains pending in the Denver Federal Court.**

***"To preserve and protect the pension and benefits that we earned."  
— AUSWR Mission***

# Nelson Phelps 'Retires' From AUSWR

by Kitty Kennedy, Regional Editor and Arizona President

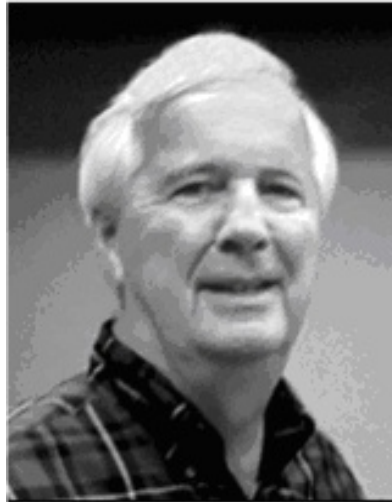
"A legend in his time," could truly be said about Nelson Phelps if you are a retiree of Qwest, U S WEST or any predecessor company. Or if you work across the nation with other retiree organizations, then his name will come up —and he will be asked about because of his role in battling for all retirees — not just telephone retirees —for the last twenty years.

Especially if you retired before 1991, you owe so much to Nels' leadership and foresight. The lawsuit that guarantees all pre-1991 retirees their existing health care benefits carries his name: "THE Phelps Case" we all call it.

Nels retires from AUSWR as Executive Director after nearly twenty years of guiding our organization's efforts in the 14-state Qwest territory to pursue many of his personal interests with his wife, Denise.

As you look around today and try to figure out what is happening especially to retirees, one of the first questions is, "What has happened to leadership?"

Where are those who had visions of the future and led companies and organizations to the benefit of employees, shareholders and customers? Self-interest seems to be the first priority even at the expense of all moral, ethical and economic obligations among those who call themselves the leaders of companies such as Qwest.



**Nelson Phelps,  
retiring AUSWR  
Executive Director**

Fighting these types of executives who demonstrate their current belief systems of self-interest is no easy task. Just look at the recent Qwest leaders who have walked away with millions or are serving time in jail. Who has led the watchdog efforts to protect retirees from them? Nels led us with many successes and some losses.

Nels became the skilled leader for our organization from its very beginning. He saw the need to protect retirees and enlisted the help of Curtis L. Kennedy who remains the AUSWR Litigation Attorney.

After legal actions and negotiations with Qwest and its former companies, Nels retires from us knowing that he pursued every avenue open to retirees in our efforts to protect and ensure "those pensions and benefits that we earned in our working years."

His visionary leadership extended beyond our 14-state area when he saw that the courts would not be the guardians of retiree benefits.

Nels became a founding member of the National Retiree Legislative Network who honored him in January with a lifetime seat on their board. He saw that future protections for retirees lie in federal legislation and not in the hands of federal judges.

We extend our tremendous gratitude to Nels and wish him many years of happiness to match all the years he gave to us.

## 2010 AUSWR Officers

|                                   |                               |
|-----------------------------------|-------------------------------|
| President                         | <b>Mimi Hull</b> (Colorado)   |
| Treasurer                         | <b>Roger Sanger</b> (Arizona) |
| Secretary                         | <b>Eve Mary Verde</b> (Utah)  |
| Litigation Attorney               | <b>Curtis L Kennedy</b>       |
| Retiree Guardian Regional Editor: | <b>Kitty Kennedy</b>          |

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|                          |                          |
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# *Mimi Hull, AUSWR 2010 Agenda Plans*

Many have asked, "What is the future of our AUSWR organization?" Leadership changes and major shifts in direction confront us as we start 2010.

I would like to tell you what I see as the state of our retiree organization and share our commitments to our role in protecting and preserving our pensions and benefits.

First, the retirement of Nelson Phelps is a mix of emotions for all of us. While we wish him well in his days of enjoyment free of our retiree claims on his time every day, we know that his leadership will be missed.

Sadly, we also share the loss of our AUSWR Ombudsman Howard Rickman who for so many years became the ear of our complaints and questions about benefits and patiently answered everyone who came to him for help. Howard led our Retiree Advocate program where each retiree –member or not –can go for help when the "red tape" is too confusing.

Challenges face us immediately with the loss of the Pensioner Death Benefit which Qwest has announced will be eliminated March 1. Qwest has estimated a savings of \$220 million, so again they are strengthening their finances by sacrificing retirees' security. Of course, we believe retirees earned this benefit. We are looking at all of our legal options and will decide soon on what action –if any --we can take.

The financial viability of Qwest is a continuing concern as it continues to lose its landlines, incur losses of product and services revenues, and downsize employees. Cost-cutting



**Mimi Hull**  
**AUSWR President**

measures include halting contributions to the pension fund for current management. We closely watch the Qwest financials to help us assess the security of our future pensions and benefits.

Oversight of the Pension Plan funds has been an ongoing effort for us. As Qwest works its way through its financial woes, we are keeping a close eye on the pension plan management. In the last newsletter, we told you about the scrutiny our litigation attorney Curtis Kennedy has performed in his review of the 2009 Qwest filing

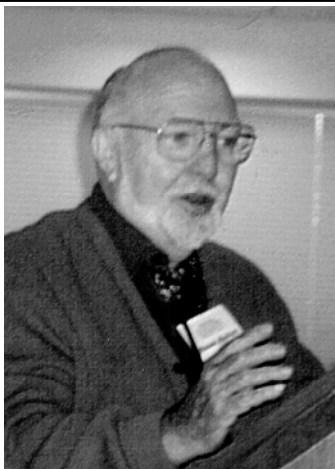
with the SEC. We sent a request for additional information about the annual filings to the pension plan administrators and continue our communications with them to gain answers to all of our questions. For example, a major question involves how Qwest appears to have underperformed in its role to protect the pension plan funds resulting in the loss of more than \$90 million invested with a now bankrupt company, Westridge. We will continue our oversight role to monitor the activities in the Qwest Pension Plan.

Support of the National Retiree Legislative Network, the NRLN, is a major affiliation for us to send a retiree voice to the members of Congress and develop federal legislation to protect pensions and benefits.

To sum up, the AUSWR 2010 focus is: 1) Litigation when necessary, 2) oversight and monitoring of the pension plan funds, 3) continued Retiree Advocate program, and 4) support for retiree federal legislation through our affiliation with the NRLN.

# AUSWR Loses Ombudsman Howard Rickman

If ever you doubt for a moment that one person can make a difference — then stop and take a look at the life of Howard Rickman. AUSWR Ombudsman, leader of the 14-state Retiree Advocate program, and a founding voice of our retiree organization in Oregon and Washington is how we will most recently remember Howard. He was also a devoted father, husband of a 66-year marriage, and a U. S. Marine Corps veteran who usually ended his messages with *Semper Fi*.



**Howard Rickman,**  
AUSWR Ombudsman  
March 6, 1928 —  
January 24, 2010

Howard led our communications with Qwest to cut through the misunderstandings between retirees and the Qwest Service Center and Human Resources staffs to ensure benefits that were earned were given justly. No question from a retiree went unanswered. When retirees made mistakes, Howard was there to negotiate a fix so retirees did not lose benefits.

“He never gave up helping the retirees,

even getting calls at home while he was in the hospital and giving Mom some answers to tell people. He and Mom met when he was 15 years old and she was 14 --and have been together ever since,” Lynn Allen, Howard’s daughter tells us about her father. Besides Lynn, Howard leaves his wife, Mary Lou, and son Patrick.

The Celebration of Life - Memorial Service for Howard will be held in Portland, Oregon, Monday, March 8 at 2:00 pm at the Skyline Memorial Gardens, 4101 NW Skyline Blvd., tel. 503-292-6611.

In lieu of flowers, the family asks for you to make a donation in the name of T. Howard Rickman, Jr. to Woody Froom Medical Foundation for Chronic Kidney Failure Patients, 3939 SW 45th Ave., Portland, Or 97221, or POPPA (Pet Over-Population Prevention Advocates), Inc., PO Box 5721, Beaverton, Or 97006, [www.poppainc.org](http://www.poppainc.org).

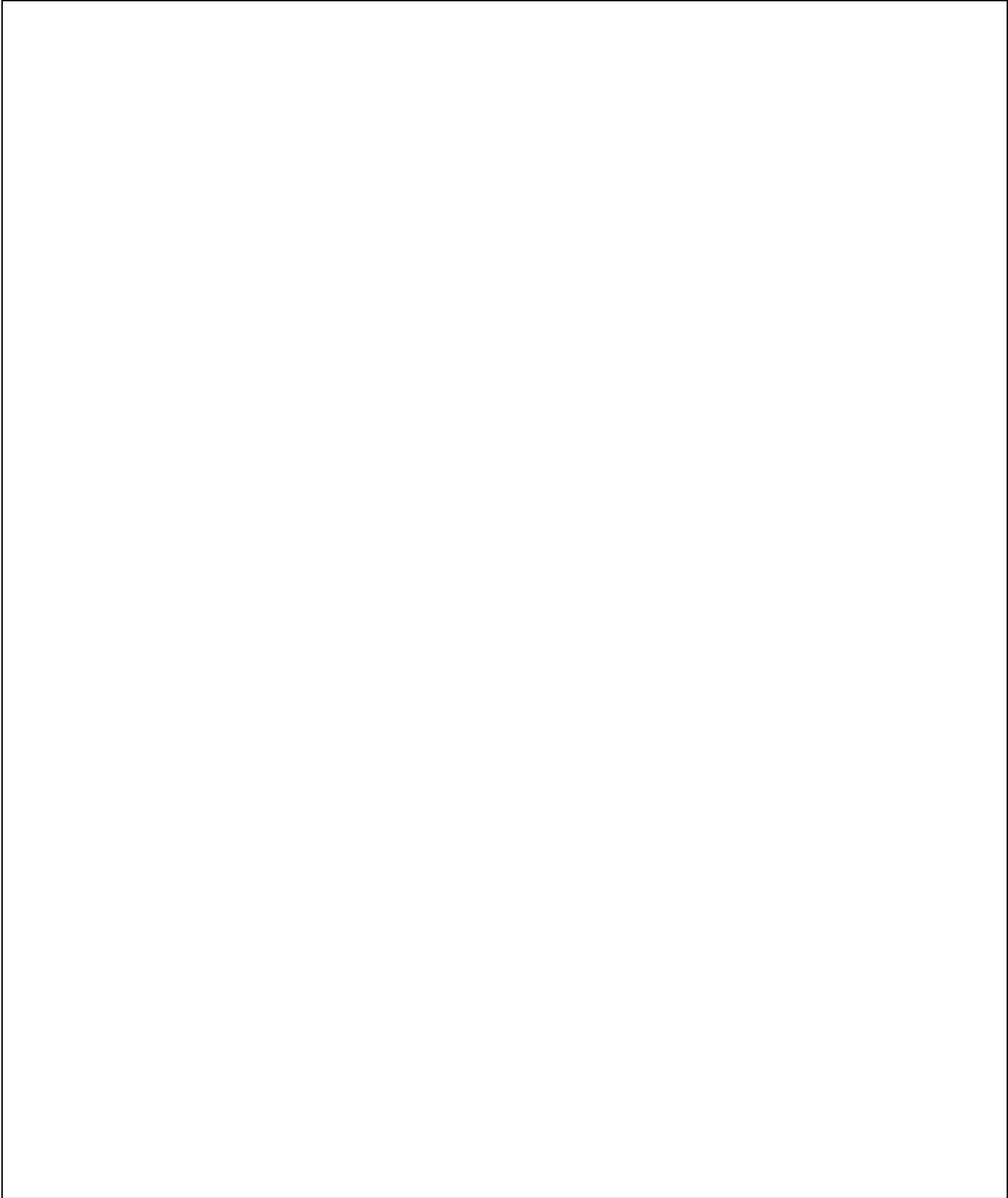
If you have questions about your benefits, contact the **Qwest Service Center....800-729-7526** Press **Option 2**, then select the appropriate options. To put your question or claim in writing, send to the: **Qwest Service Center, P.O. Box 23548, Jacksonville, FL 32241-3548**

The address for the Qwest Benefit Office is: **Qwest Benefits, 1801 California St. 45th floor, Denver, CO 80202**

► *If you are unable to resolve your question after contact with the Qwest Service Center, contact your state Retiree*

| <u>State</u>                                   | <u>Tel. No.</u>              | <u>Email</u>                                 |
|--|------------------------------|--|
| <b>ARIZONA: Jim Heinze</b>                     | 303-442-1831                 | jjonrr@ecentral.com                          |
| <b>COLORADO: Jim Heinze</b>                    | 303-442-1831                 | jjonrr@ecentral.com                          |
| <b>IDAHO: Shirley Moss</b>                     | 208-342-3449                 | samoss05@msn.com                             |
| <b>IOWA: Vikki Farrand</b>                     | 605-332-3670                 | LLFarrand308@yahoo.com                       |
| <b>MINNESOTA: Barb Hermanson</b>               | 763-757-4985                 | brbrhr@msn.com                               |
| <b>MONTANA: Shirley Moss</b>                   | 208-342-3449                 | samoss05@msn.com                             |
| <b>NEBRASKA: Jim Heinze</b>                    | 303-442-1831                 | jjonrr@ecentral.com                          |
| <b>NEW MEXICO: Cassie Kelley</b>               | 505-298-8666                 | cassiek@comcast.net                          |
| <b>NORTH DAKOTA: Arnie Pauls</b>               | 701-451-0771                 | rvapauls@msn.com                             |
| <b>OREGON: Vacant</b>                          |                              |  |
| <b>SOUTH DAKOTA: Vikki Farrand</b>             | 605-332-3670                 | LLFarrand308@yahoo.com                       |
| <b>UTAH: Dick Johnson and<br/>Byron Lemmon</b> | 801-963-6220<br>801-295-4653 | dickie1934@hotmail.com<br>bylemmon99@msn.com |
| <b>WASHINGTON: Shirley Jones</b>               | 206-368-8686                 | benefit65@comcast.net                        |
| <b>WYOMING: Jim Heinze</b>                     | 303-442-1831                 | jjonrr@ecentral.com                          |

# *(State) President's Message*



# Justices Say “No” to Joe —Again

Former Qwest CEO Joe Nacchio who is currently incarcerated in a federal prison for his insider trading convictions received a Christmas present from the U.S. Supreme Court that he did not want to receive. The high court nixed his plea to reconsider their earlier passing on his appeal.



**Joe Nacchio,  
Former Qwest CEO**

To the delight of thousands of former and current Qwest stockholders who lost tens of thousands of dollars during his time as the head of Qwest, no new trial is granted to him. Below is the story as reported by the *Denver Post*.

by **Andy Vuong, Denver Post Reporter**

The U.S. Supreme Court, which in October declined to hear Joe Nacchio's appeal of his conviction for illegal insider trading, on November 30, 2009, rejected the former Qwest chief executive's request to reconsider that ruling.

The new decision was issued without comment. The court did not solicit additional information from the government before turning down

Nacchio's request, legally termed a petition for rehearing, which had been filed October 30, 2009.

The current ruling marks the end of a slate of appeals Nacchio had filed, which included arguments that a defense witness had been improperly barred from testifying as an expert. However, Nacchio still has a motion for a new trial pending before the U.S. District Court in Denver, claiming new evidence beneficial to

him has been uncovered in an ongoing civil-fraud lawsuit that the Securities and Exchange Commission filed against him and several other former Qwest officials in 2005.

Nacchio was convicted in 2007 on 19 counts of illegal insider trading connected to his sale of \$52 million in Qwest stock in early 2001. The Justice Department alleged Nacchio sold the shares based on insider information that Qwest's financial condition was deteriorating. He appealed to the Supreme Court in March and began serving a six-year prison term in April.

## /// RETIREE GUARDIAN EDITORIAL STAFF

**AUSWR and Arizona Editor: Kitty Kennedy**  
Tel: 520-883-8272 / cell 520-444-6617  
Email: kathleen\_kennedy@earthlink.net

**Colo/Wyo/New Mexico Editor: Carol Wilson**  
Tel: 303-985-8279  
Email: cjwilson2740@comcast.net

**Utah/Idaho/Montana Editor: Susan Johnson**  
Tel: 801-963-6220  
Email: dick.sooz@comcast.net

**Oregon/ Washington Editor: Gary White**  
Tel: 253-952-4612  
Email: garyw39@aol.com

**Iowa/Minn/Nebraska/ND/SD Editor: Jerry Miller**  
Tel: 763-424-3524  
Email: jerrymiller1215@earthlink.net



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# *Curtis Kennedy Responds To Retiree Pensioner Death Benefit Questions*

This is in response to the myriad of questions...I will try to be brief and to the point.

All retirees will lose the Pensioner Death Benefit, which was traditionally paid from the pension plan. We held the company off for just over 6 years, as the company originally announced plans to eliminate the benefit in September 2003.

The AUSWR retiree organization is undecided whether or not to commence another lawsuit. If we did, it might be limited to protecting the rights of Pre-1991 retirees because the same arguments that applied to protect their rights to lifetime health care benefits [known as the Phelps case] also apply to protect their rights to the Pensioner Death Benefits.

All the factual and legal reasoning involved in the Pensioner Death Benefit case has been the subject of countless reports, updates, letters, and *Retiree Guardian* stories. Our website has posted these reports over the course of the last three years.

For instance, we made every conceivable argument in the *Kerber* (Group Life Insurance) case. Despite doing it all, nothing mattered to the federal judges who seem hell bent on making rulings in favor of the corporations as anyone can discern if he or she wants to read the Final Pretrial Order which is posted at the retiree website.

See: [www.uswestretiree.org/  
FinalPretrialOrderWithAttachments1&2.pdf](http://www.uswestretiree.org/FinalPretrialOrderWithAttachments1&2.pdf)

That posting at the retiree website is the best point of reference for you to understand how we tried our best.

## **Other Important Benefits Issues:**

Another event that we are following and do not have an answer at this time is about the reported payment Qwest made to Watson Wyatt for ser-



**Curtis L. Kennedy**  
*AUSWR Litigation Attorney*

vices. But, I can tell you that amount (about \$5 million) was both typical for Qwest each year and it is in line with the amount other former Bell System Companies with a pension plan covering tens of thousands of persons have paid each year to the companies providing services for their defined pension plans.

We also are looking into the debacle involving the over \$91 million in Qwest Pension Plans funds that were wasted in Westbridge investments. [See last edition of the *Retiree Guardian* for letter to Qwest

Pension Plan Administrators about Westridge investments].

And, finally, more than 10 years ago the U.S. Department of Labor and IRS gave permission to then U S WEST to have the pension plan and health care plan invested in U S WEST common stock. Eventually, all of the investment was sold, a profit was made, and all credited to the pension plan and health care plan. But, that will never happen again.

I hope that either you or someone in your family will continue to support the retiree organization, the Association of U S WEST/Qwest Retirees. As a supporting member, a family member will receive updated information either via email or in future issues of the *Retiree Guardian* or both methods. Membership information can be found at: [www.uswestretiree.org/membership2.htm](http://www.uswestretiree.org/membership2.htm)

Truly, the retiree organization website is the best source for anyone to find updated information, as it is impossible for me to personally write to each of the thousands of persons wanting to know the final outcome of this litigation.

*Curtis L. Kennedy*

# ***NRLN & AUSWR Legislative Agenda: 2010 TOP INITIATIVES***

**Pension Asset Protection:** Legislation that stops corporations from taking pension assets from defined pension plan trusts to pay for lump sum severance and early retirement incentives. Pension funds should not be used to pay executive non-qualified pensions and other deferred compensation; pension plan assets should not be transferred to or be taken over by third party financial or other institutions.

**PBGC Reform:** The Pension Benefits Guaranty Corporation must be regulated to ensure equitable calculations of earned benefit payments.

**Bankruptcy Reform:** Bankruptcy reform is needed to place retirees' pensions and benefits on a list of obligations that companies can't shed. Retirees often lose pension, health care, and other benefits in bankruptcy and, unlike secured creditors, rarely have the ability to recover losses.

## **'Maintenance of Cost Payment': Protections and Enhancement of Retiree Health Care Benefits:**

**fits:** A Maintenance of Cost Payment (MCP) is proposed to establish a fixed monthly payment for 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.

**Medicare Buy-in for Ages 55 to 64:** Those 55 to 64 should be allowed to buy Medicare coverage at a cost that does not burden the Medicare system. Access to be limited to individuals without access to an employer-sponsored or other group health plan that is actuarially equivalent or superior to Medicare.

**Medicare Catastrophic Coverage:** Congress

should extend protection against catastrophic medical costs to the Medicare population by setting a reasonable maximum limit on out-of-pocket costs.

## **Retiree Protection in Mergers and Acquisitions:**

Law is advocated that clarifies what a parent foreign owner's pension plan obligations are to abide by ERISA should its U.S. subsidiary be spun

off or dissolved. Clarification must include situations where foreign corporations that own U.S. subsidiaries are also acquired by a third party, foreign-owned corporation.

**Prescription Drug Cost Reductions:** The NRLN advocates the reduction of prescription drug costs for Americans through passage of legislation that: (1) Enables re-importation and importation of safe prescription drugs approved by the FDA; (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 control pricing or subvert free market practices.

**Protect Medicare:** Congress must guard against reductions in Medicare expenditures that negatively impact the care that retirees receive from doctors, hospitals and other health care services.

**Protect Social Security:** The Congress must pass legislation to make Social Security financially sound without reducing current and future retiree benefits. NRLN advocates legislation that raises the Alternative Minimum Tax threshold level and also the annual inflation indexing of the threshold.

To read more on the NRLN Legislative Agenda, go to : [www.NRLN.org](http://www.NRLN.org).

*The NRLN promotes federal legislation for retirees by lobbying members of Congress and their committees, by testifying as retiree advocates in Congressional committees, and by producing White Papers on retiree-related issues as the basis for the introduction of bills in both the U S Senate and House.*

*—No monies are paid to politicians, parties or lobbying organizations.*



# AUSWR Goes to Washington

January weather in Washington, DC is unfriendly and often cruel –some see it a fitting match to the current political climate.

*BUT*...January is a good time to show up in Congressional offices and tell our members of Congress about retiree issues...and that is exactly what AUSWR leaders did again this year.

Bill Kadereit, NRLN President led the Annual January 11-13 NRLN-sponsored 3-day leadership meeting of member organizations. About 50 attendees heard from the Department of Labor and the Pension Benefit Guaranty Corporation staffs discuss pensions and benefits and their perspectives for the future of retirees.



**Ray Sternot,**  
NRLN Legislative District Leader and  
AT&T/Ameritech member presents the  
NRLN 2010 legislative priorities red  
folder to a Congressional office

Tied to meetings about our retiree agenda were scheduled appointments with members of Congress and their staffs. Targeted meetings were with those Congressional members who sit on committees and sub-committees deciding the priorities for retirees. Representing AUSWR were Mary Ann Neuman, Judy Stenberg, Nelson Phelps and Curtis Kennedy.

“Everywhere I went I saw red folders going to the Hill,” said Nelson Phelps as he referred to the resources compiled for all attendees by Judy Stenberg. Each visit to Congressional offices was accompanied by a leave-behind red folder which explained the retiree priorities for 2010. (See a summary on page 8 of the issues discussed with Congressional members).

AUSWR leaders met with members of Con-

gress in our 14-state territory and delivered a strong message of our concerns about federal legislation impacting retirees.



**Mary Ann Neuman,**  
AUSWR NWB Chair

“I made 10 visits and more and more the offices know about the NRLN,” said Mary Ann Neuman as she described her time discussing our retiree agenda in the Congressional offices. She visited with the staffs of Rep. Bruce Braley (Iowa), Rep. Keith Ellison (Minn.), Rep. Erik Paulson (Minn.), Rep. Adrian Smith (Nebraska), Rep. Stephanie Herseth Sandlin (So Dakota), Sen. Al Franken (Minn.), Sen. Kent Conrad (No Dakota), Sen. Ben Nelson (Nebraska), Sen. Tim Johnson (So Dakota).



**Judy Stenberg, Pres.**  
Oregon-Washington

Judy Stenberg made contacts with members of Congress from Oregon, Washington and several mountain region states. During each conversation she made the request for follow-up. For example, Judy is leading follow-up conference calls with the members of the staffs of Sen. Orin Hatch (Utah) and Sen. Mark Udall (Colorado).

Time spent in Washington is not about party politics or ideology. Time in Washington is about protecting and preserving pensions and benefits –and that message was taken to our members of Congress who represent each political party. AUSWR and the NRLN do not contribute money to any political party or politician. We make our voices heard by our leadership contacts and your grassroots help in your state.

Most important to those of us “back home” were those many visits to members of Congress and their staffs to talk about specific retiree issues that all of the attendees scheduled during their days in Washington. To learn more go to [www.NRLN.org](http://www.NRLN.org) or contact your state leaders.

# ***NRLN Challenge in 2010: Protect Social Security and Medicare***



**Bill Kadereit,  
NRLN President**

*By Bill Kadereit,  
NRLN President*

After the dust settles on the national health care debate, we will be challenged to lobby harder than ever to protect Social Security and Medicare benefits.

Congress never intended to address Medicare benefits in a meaningful way in health care reform legislation. But the President and some members of Congress have announced that 2010 will be the year when they form task forces and committees to address Medicare and Social Security.

The NRLN retiree association leaders from across the country met in Washington D.C. in January to set the NRLN 2010 Legislative Agenda for lobbying to protect your retiree income.

They approved our budget and lobbying plans and met with guest speakers from Capitol Hill and federal agencies to discuss what can and must be done to maintain and advance retiree benefits. Topics ranged from pension security to bankruptcy reform and Medicare. Executives from the Pension Benefit Guarantee Corporation (PBGC), the Department of Labor, and Congressional committees spoke and responded to questions.

Perhaps the best part of the NRLN Annual Leadership Conference was when conferees walked to appointments on the Hill to tell their members of Congress about our Legislative

Agenda and what they want Congress to do about it.

NRLN members made appointments and met with forty-six different members of Congress and their staffs on January 13.

Leaders from retiree associations met with House and Senate Judiciary staffs and legal counsel and hope to get a hearing scheduled to air the need for corporate bankruptcy law reform.

Members met with Congressional leaders on PBGC rules reform and grilled our PBGC speakers. They met on pension security and prescription drug legislation. We all expressed concern over the future of Medicare, Social Security and other issues specific to our retiree associations.

Be sure to express appreciation to AUSWR retiree association presidents, Judy Stenberg and Mary Ann Neuman, who attended the January conference with Curtis Kennedy and Nelson Phelps. Please do your part by contributing time and money to AUSWR and the NRLN if you can.

We are very serious on your behalf and unlike other larger retiree organizations that claim to be friends of the retiree, we actually work hard to support just you. AUSWR leaders don't have to be doing this, please support them.

Most of all, sign up your friends and neighbors and work hard to help us grow a strong grassroots network in your hometown.

A former speaker of the U S House said, "all politics is local". That is so true, meet with your hometown members of Congress and ask them what they are doing to support your retiree agenda.

*...See more on NRLN 2010 Legislative Agenda on page 8.*

# *Don't Cause Companies to Eliminate Retirees' Prescription Drug Plans*

As you know, health care reform was passed in the U.S. Senate on Christmas Eve; the U.S. House of Representatives' health care reform bill passed on November 8th.

The NRLN has not endorsed either of the bills. NRLN efforts have focused on preventing the enactment of any provisions that would be harmful to retirees while we have supported the few provisions that would be beneficial to retirees. To read our full NRLN legislative stand on health care go to our website: [www.NRLN.org](http://www.NRLN.org).

In examining the Senate and House bills, we have learned that both contain certain provisions that we believe fail to protect retirees. Each bill contains language that will begin taxing employers for the federal subsidies they receive in return for maintaining retiree prescription drug plans rather than enrolling their Medicare-eligible retirees into the government's Part D drug plan. The House bill would phase in the new tax gradually, while the Senate bill would make a more abrupt change. Many Qwest retirees will be affected if this provision prevails in the approved bill.

**Background:** When Congress created Medicare Part D in 2003, companies that provided prescription drug plans *actuarially equivalent* to Part D qualified for a 28% tax-free subsidy. This has been a win-win situation for all parties. It has been an effective incentive for many employers to continue prescription drug plans for their retirees. It has resulted in savings to the federal government by avoiding the necessity for many retirees to obtain Medicare Part D coverage. Retirees taking medications have experienced a savings of several hundreds of dollars annually by keeping the prescription drug plan provided

by their former employer. Moreover, many retirees in company plans do not face the fear of falling into the Medicare Part D "doughnut hole" - which requires Part D recipients to shoulder thousands of dollars in drug costs.

The provisions in the House and Senate bills to tax the subsidy would dramatically increase a company's tax liability - and the likelihood that the company will drop drug coverage entirely. Companies would be required to register the

change as a loss in earnings. The NRLN and other groups representing retirees' interests are deeply concerned that this provision will encourage companies to cancel or cut drug benefits for millions of retirees. Many companies are also opposed to the provision in the bills. We have sent letters and our Washington, DC team members are working on Capitol Hill to convince Congress to remove these provisions and allow existing tax law to stand.

**How you can help:** Contact your members of Congress and urge them to remove the provision harmful to retirees from the final bill that may go back to the House and Senate for a vote. Ask them to prevent the harm to retirees that would most certainly be the consequence of the elimination of the tax deduction for federal subsidies for company-based prescription drug plan. If you have Internet you can get the phone numbers for members of Congress through the NRLN's Capwiz website at <http://capwiz.com/abtr/dbq/officials/>.



*AUSWR supports the work of the NRLN to work for federal legislation to protect and preserve retirees' pensions and benefits.*

*Bill Kadereit*

President, National Retiree Legislative Network

# Who Are the NRLN Members?

Each year the NRLN surveys individual members with questions about their retiree status. The information is used to tell members of Congress exactly who is backing our retiree agenda and who the NRLN represents. Below lists the 2009 survey results —the **2009 NRLN Fact Sheet**.

## **Demographics:**

- **8,059** participants answered questions in a NRLN survey conducted in April /May 2009.

## **Retirement status:**

- **82.3%** salaried retirees
- **14.9%** formerly union represented retirees
- **49.8%** retired for more than 10 years
- **48.2%** retired for less than 10 years
- **2.0%** not retired

## **Age:**

- **60.7%** age 65 or older
- **39.0%** age 50 – 64;
- **0.4%** younger than 50

## **Healthcare Current Coverage:**

- **68.8%** former employers provide a healthcare plan for retirees.
- **59.8%** former employers provide a dental plan for retirees.
- **27.9%** former employers provide a vision care plan for retirees.
- **66.9%** enrolled in former employer's healthcare plan.
- **30.5%** receive healthcare coverage from Medicare and former employer's plan.
- **26.8%** receive healthcare coverage from their former employer's plan.
- **62.7%** spouses receive healthcare coverage from the retirees' former employers.
- **59%** enrolled in former employer's prescription drug plan.
- **43.2%** have catastrophic healthcare coverage from their former employer.
- **41.5%** don't know if they have catastrophic healthcare coverage.

## **Healthcare Future Coverage:**

- **56.7%** strongly agree or agree that their former employer will continue to offer healthcare plans but all annual cost increases will be paid by the retiree.
- **40.6%** strongly agree or agree that their former employer will continue to offer healthcare plans but the retiree will pay 100% of the cost.
- **55.3%** strongly agree or agree that their former employer will discontinue paying and offering healthcare insurance.

## **Healthcare Expenses:**

- **7%** spend more than 25% of monthly after tax income to pay healthcare insurance premiums.
- **6.4%** spend between 21% - 25% of monthly after tax income to pay healthcare insurance premiums.
- **11.3%** spend between 16% - 20% of monthly after tax income to pay healthcare insurance premiums.
- **20.9%** spend between 11% - 15% of monthly after tax income to pay healthcare insurance premiums.
- **37.6%** spend less than 10% of monthly after tax income to pay healthcare insurance premiums.

## **Pension:**

- **86.9%** receive a defined benefit pension.
- **55.4%** strongly agree or agree that their former employer will try to avoid properly funding their pension plan.
- **40.4%** strongly agree or agree that their former employer will try to get the Federal Government (PBGC) to take over their pension plan.
- **42.6%** strongly agree or agree that their former employer will use pension funds to pay separation and layoff bonuses.

## **Life Insurance:**

- **49.8%** have a life insurance benefit from their former employer.
- **34%** had their life insurance benefit reduced by their former employer.
- **18.4%** had their life insurance benefit eliminated by their former employer.

## **Company Financial Status:**

- **29.8%** former company has declared bankruptcy.
- **29%** former company is at risk of declaring bankruptcy.
- **17.1%** former company is financially weak but will probably not declare bankruptcy.
- **33.4%** former company may merge with or be purchased by another company.

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