

The LMEA

Apple Core



The officers publish the Apple Core for LMEA members

December 2021

December Holidays

As we somehow approach the end of 2021, we're still not back to normal—but we are in a better place than we were a year ago, and we hope 2022 brings us gradually toward a more normal version of things. In the meantime, please take the opportunity over winter break to spend time with family, relax, and let some of your stress dissipate.

A Message from LMHS

Dear all,

Thank you for the outpouring of support as we all continue to grieve the loss of Sean Hughes. We will surely continue to experience waves of sadness and remembrance, but your kindness has helped us endure; it has served as a reminder of what Sean loved about this district. As Coretta Scott King has said, "The greatness of a community is most accurately measured by the compassionate actions of its members." You have given us strength, and we are grateful to be part of this thoughtful community.

Employee Assistance Program

The holidays are fast approaching, and even in normal times this can be a source of stress. This year, after months of pandemic, exhausting politics, and unprecedented chaos in the workplace, the amount of stress we're trying to manage is at an all-time high. So I'm reminding you that we have access to an EAP that entitles you to support as you deal with a broad range of challenges. The program is FREE and ANONYMOUS, and accessible by phone (1-877-240-6863).

Important Dates in the Contract

January 1, 2022—Begins tuition reimbursement requests period for courses ending AFTER July 1, 2022.

Regarding PSERS (Your Retirement Fund)

Below, please find a report given at the PSEA House of Delegates last Friday by Harriton teacher and former LMEA President Chris Santa Maria, who has served as the Chairman of the Board of Trustees of PSERS.

I have been asked to deliver the semi annual report about the performance of the pension fund. A more detailed report from me can be found in your delegate materials, but I can summarize the highlights for you. 2020 was a GREAT year for the fund's investments.

The net of fee performance for the year was 24.6 %, which was the highest since 1985. a record \$14.8 billion dollars of excess returns were added to the fund bringing it to a current value of \$72.5 billion. In doing so, the fund moved steadily on the path to full funding for future obligations. We hope to reach that mark within the next fifteen years, and a key component will be for the legislature to continue to make the full actuarial required funding each year.

We are still recovering from a combination of the 2008 market collapse and 15 years of underfunding by the legislature from 2001 - 2016. We must keep the pressure on the legislature and the governor to make these annual funding commitments if we are to continue on a path to a strong and a durable pension plan.

And now, let me address what you've been reading in the papers. In my opinion, so much of what has been written so far has been 90% opinion held up by 10% fact, and all of it misleadingly packaged as news reporting. Here are some facts that are already in the public domain, but have not been accurately reported:

- *Last year PSERS was ill-served by its top investment advisor, AON - the second largest consulting firm in the industry - with a mistake they have admitted making in the calculation we used to determine whether the risk share was triggered last December. Using the numbers provided to us by AON, and certified by an outside accounting firm hired for that purpose, we approved a resolution that the risk share was NOT triggered and there would be no change in the member contribution rate.*
- *Upon learning of this mistake by AON in February, we spent the next several weeks going back through the returns of the past nine years to see if the risk share had indeed been triggered. The recalculation showed that risk share was to be triggered and the Board ordered the contribution rate for the affected classes to be raised according to the law.*
- *At the same time, we hired an outside law firm to conduct a comprehensive and independent investigation to determine precisely how this mistake came about.*
- *Shortly after our own investigation began, we were alerted that the Department of Justice was also launching an investigation into the risk share calculation, and adding to it an investigation into a real estate investment in Harrisburg near our headquarters.*
- *Two outside law firms were then hired to represent the Board and the System, with lead attorneys who once served as federal prosecutors, including one as the US Attorney in the same Philadelphia office now investigating PSERS. Both law firms strongly recommended that we NOT comment to the media while the investigations were ongoing. This is mainly to protect the independence of our own investigation and to secure the cooperation of witnesses. I, along with most of the Board, have followed this advice and made no comments to the press regarding the investigations. However, despite this, leaks of confidential attorney-client discussions have found their way into print. I can't overstate how reckless and irresponsible this is on the part of those speaking to the media.*
- *Our internal investigation is now reaching the end with a comprehensive report to be delivered to the Board on January 18. It is our intent to make all, or nearly all, of the report*

public following that briefing. As this investigation was, by design, conducted outside of PSERS with no specific updates to the Board, I don't know what it will find and what recommendations it will make. I do know that had anything been found so far that presented a risk to the fund or was deemed to be illegal the Board would have been notified right away as well as the Department of Justice. Everything in our investigation will be shared with the DOJ as we have pledged to cooperate fully with their investigation from the beginning.

- *Everyone hearing my voice tonight should know this - the PSERS Board is committed to finding the reasons for the risk share mistake and to take any necessary measures to prevent it from happening again. We are aware of the undue stress this has caused some of our members, and we are sorry.*
- *The Board is also committed to full transparency because our members and annuitants, as well as the general public, deserves to have trust in this pension.*

I'd like to finish by thanking my fellow active certified trustees - Jason Davis and Sue Lemmo, our retired annuitant trustee Melva Vogler, and our non-certified trustee Debbie Beck - who is concluding her long and honorable service on the Board this month, for their solid support for me and their determination to keep a strong voice for our members at the table.

I'm also looking forward to welcoming to the Board our newest trustee - Ann Monaghan - a support professional from Wallenpaupack SD, who will replace Debbie Beck starting in January.

And most of all, I'd like to thank the members of PSEA who have stood by me and my fellow trustees over the past year as we have faced unprecedented challenges, not to mention a lot of stress, that have come with these unpaid, yet very important positions at the helm of our pension.

I'm certain that with your continued support the pension promise made 102 years ago by this Commonwealth will be kept for not only for us but for future generations of public school employees.

The LMEA thanks Chris for his ongoing service and for this report on these recent developments.

Have You Signed Up for the Blast?

This newsletter comes out monthly, but sometimes we need to get information to our members more quickly than that. For action items or urgent messages, we use the LMEA Blast, which is available to our members only. If you're already signed up, no need to do anything. If you haven't signed up, please visit our website (lmeaonline.org) and follow the links to receive the blast AT YOUR PRIVATE EMAIL ADDRESS (NOT YOUR DISTRICT EMAIL)