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NEA TODAY for NEA-RETIRED MEMBERS

An edition of *NEA Today*

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Speaking of Retirement

NEA-RETIRED MEMBER NAMED NEW HEAD OF PENSION BOARD

BY JANET RIVERA MEDNIK

In October, Roger Rea—vice president of Nebraska State Education Association—became president of the National Council on Teacher Retirement (NCTR). If you are concerned about the future of defined benefit (DB) pension plans, you will want to learn more about this association and its mission to protect the pensions of some 19-million active and retired teachers and school support employees. *NEA Today* for NEA-Retired Members sat down with Rea this summer, and he had some valuable things to say about the retirement security of educators.

NEA Today: Could you please explain what is NCTR and why NEA-Retired members should know about it.

Roger Rea: The National Council on Teacher Retirement serves 68 state, territorial, and local pension plans that have teachers and school support employees as retirement plan members. A key part of our job is conducting training for trustees and administrators in various states to help them do their jobs in protecting individual pension plans. NCTR was created in 1927 when the NEA Retirement Committee merged with a committee of retirement system administrators. NCTR was an affiliate of NEA until 1973 when it disaffiliated and became an independent organization.

NEA Today: Your job as president of NCTR will be a huge responsibility. How have you gotten to this point?

Roger Rea: Well—first and foremost—I am a retired teacher, so I know firsthand how important our pensions are. I taught high school chemistry until 2000. While I was teaching, I was a trustee for the Omaha School Employees' Retirement System. After I retired, a law was passed (in 2001) which

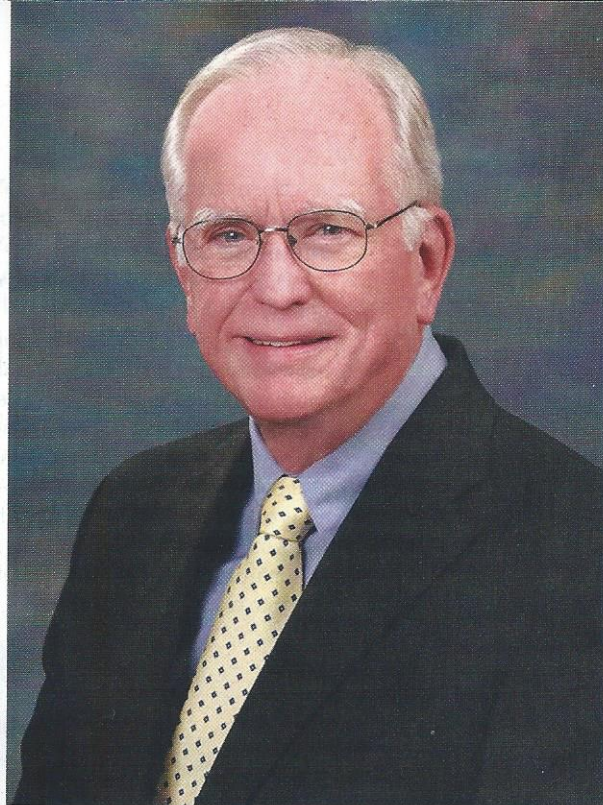
required that a retiree representative serve on the board. I ran for the position, and won. I've been presenting retirement seminars in Nebraska for more than 25 years, and gaining expertise in retirement issues that affect retirement plans nationwide. I've spent the last 10 years serving on the NCTR Executive Committee, and the last year as NCTR president-elect working with the NCTR president and staff.

NEA Today: What is your vision for NCTR?

Roger Rea: There's a lot in store for us. We have a new executive director, as well as a new full-time communications director. We also have been working on a new 5-year strategic plan that we're excited about. My term is one year. After that, I will work with the next NCTR president to continue implementing our strategic plan.

NEA Today: What are some of the key points of the plan?

Roger Rea: NCTR's sole mission is to be a resource for fostering partnerships and providing training and pension advocacy for the educational community. Within those areas, we remain in the forefront of monitoring legislative activities regarding pensions. We monitor relevant legislation and relay the information back to our membership groups regarding how it may affect their pensions. We provide a comfort level for teachers with a retirement plan. They can rest assured that NCTR can be relied on to provide that kind of valuable resource and oversight. Our vision is for all teachers and school employees to have a safe and secure retirement future. All of our efforts in education, training, and advocacy reflect our vision. Part of the plan includes redesigning our website, NCTR.org.



Roger Rea

NEA Today: What role does NCTR have on the federal level?

Roger Rea: The solvency of our pensions is paramount, and we are constantly confronting actions that undermine the security of defined benefit pensions. For example, the tax reform package that was considered at the end of 2017 contained language that would have altered the Unrelated Business Income Tax (UBIT) provisions of the IRS tax code. The change would have taxed retirement plan investment returns, thereby lowering investment earnings and increasing the unfunded liabilities of our retirement plans. NCTR was instrumental in seeing to it that the provision to tax our retirement plans did not happen.

Again, we also monitor federal proposals and work with other like-minded organizations in coalitions to protect retirement. We also work with our member organizations so that local pressure can be applied to key members of Congress in a timely manner.

NCTR does its job of protecting pension plans mostly behind the scenes. We seldom get, or take, credit for our work in protecting pensions in ways that would put NCTR into newspaper headlines. We often joke that we are doing our job well when school employees are not worried about their pension, can sleep easily at night, and don't know who NCTR is!

NEA Today: Do you feel that defined-benefit pension plans are generally supported in individual states?

Roger Rea: State leaders understand that promised retirement benefits from defined benefit (DB) plans provide a huge economic engine for the state, and that those benefit dollars

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—ROGER REA, PRESIDENT, NATIONAL COUNCIL ON TEACHER RETIREMENT

are distributed to every county in the state on a reliable and consistent basis. Most of the retirement benefit dollars are spent right in the retirees' community. Defined benefit plans are not only key to attracting and retaining quality teachers, DB pensions are also instrumental in attracting highly educated employees to individual states.

NEA Today: Another issue that may be a threat to the retirement funds of educators is the rise of charter schools.

Roger Rea: Yes, depending on the state, some employees of charter schools are mandated to be part of the public school employee pension system, but the problem is that required contributions do not always come in. Only after the doors close is it discovered that the required contributions were not made, and that there is no pool of money to tap for the missing contributions, which puts pressure on the pensions of public school employees to make up the shortfall.

NEA Today: How do you communicate with individual members about their pensions?

Roger Rea: We reach out to our member organizations in a variety of ways— including through a weekly electronic newsletter—about pending legislation. Our individual member organizations share the information we provide to them with their members. We strongly believe that speaking with a united voice helps to protect the retirement plans that are so vitally important to our members, their families, and their communities. ✎