



Johns
Manville
Retiree

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Retirees
Association

August 2005

www.jmretirees.org

America's Seniors Face the Perfect Storm

By John Kotson, an IBM retiree. John is the chairman of NRLN's Colorado Grassroots committee. John Leasher, President of the Johns Manville Retiree Assn. and Ed Bettinardi, former President are members of NRLN, as are representatives from US West and Lucent retirees.

A storm is brewing on the horizon for America's senior citizens. Escalating health care costs, corporations defaulting on pension plans, a poorly crafted Medicare Prescription Drug program, a dwindling Social Security fund and record federal budget deficits for as far as the eye can see have provided all the ingredients for "the perfect storm." The current Government leadership has turned a blind eye to the impending crisis. While Medicare is already operating at a deficit, the administration's efforts are focused on revising Social Security, where no immediate crisis exists.

According to the U. S. Census Bureau, the number of Americans without health insurance rose to 43.6 million in 2002. The National Coalition on Health Care (NCHC) predicts the number of uninsured Americans will reach 51.2 to 53.7 million in 2006. Many millions more are under-insured and struggling to pay their health care premiums. In many geographical areas, illegal aliens have placed a non-sustainable strain on the health care system. The NCHC estimates that insurance premiums are increasing at 3-4 times the rate of annual inflation, with no end in sight. Meanwhile, Corporate America is backing away from the "health care for life" promises made to employees to retain their loyalty during their working careers. NCHC also claims that health care costs in America are more than twice the median level for the 30 leading industrialized nations, but the quality of health care delivered ranks 27th. The former CEO of Kaiser Permanente estimated that 400,000 deaths occur each year through mistakes in the use of medical technologies. This nation is in urgent need of a new health care program that provides affordable, quality healthcare to all Americans.

The Medicare prescription drug program needs serious rework. Part D prohibits Medicare from negotiating discount drug prices, prevents the importation/re-importation of drugs from other FDA approved countries and rewards industry with cash incentives to continue a minimal prescription drug benefit. Several bills have been

introduced in both houses of Congress to address these problems, but are going nowhere. The President has already stated he will veto any attempts at revising his legislative "jewel." Many Corporations are already advising their retirees to expect significant changes in their drug benefits next January, when the bill becomes law. Meanwhile, Medicare premiums and deductibles are increasing at double-digit rates, while the benefits are reduced yearly.

The picture is also bleak for traditional pension plans. The Pension Benefits Guarantee Corporation (PBGC), the agency that insures pensions against default, estimates that America's pension plans are under funded by over \$450 billions. We have seen large corporations default on their pension plans, e.g., Bethlehem Steel, US Airways, and United Airlines, and many more are lining up to dump their obligations. Meanwhile, the PBGC now suffers a \$23.3 billion deficit and it is expected to grow rapidly. America's taxpayers are facing a bailout of the PBGC similar in scope to the Savings and Loan bailout of the early 1990's. Urgent reforms are needed to protect America's failing pension system.

All the ingredients are in place for the "perfect storm," and lifestyles of older Americans are facing a sharp decline. Many will sink into poverty. Why does Congress not take actions to head off this impending crisis? The huge Federal budget deficits created preclude funding solutions to

the problems that will erode the standard of living of all working Americans. Young Americans should pay attention, because the social problems that now affect the elderly will eventually disenfranchise the entire working class. Most corporations are already significantly reducing benefits for current employees.

Ask your Representatives the following questions: Why have corporations been permitted to walk away from paying promised health care and pension benefits to retirees? Why do we have a Medicare prescription drug bill that was written by corporate lobbyists? Why does Congress continue to spend the Social Security surplus when they knowingly are creating insolvency? How do we convince our Government to prioritize the problems of its citizens over those of special interests?

Individual Membership

Enclosed in this newsletter is a flyer and an envelope provided by the National Retiree Legislative Network, Inc. (NRLN). It explains the reasons for becoming or continuing to be a member of this association.

NRLN is a national organization representing individual retirees. Through their Legislative Directory, they monitor issues that threaten the fair and equitable treatment of retirees. They are leading the fight to protect our retirement pension and health benefits.

In the flyer, you will find a form for becoming a member of NRLN. The dues are one of three figures listed - whichever you choose to contribute. We urge you to support this national organization.

In Memory:

Steve Barnosky, Manville, NJ
Keith Conn, Denver
Jack Cook, Denver
Art Daley, Denver
Paul Earle, Denver

Gordon Evans,
Henry Goodspeed, Greeley, CO
Nate Henn, Denver
Bob Heverly, Denver
Don Hillier, Denver

Al Smrek, Denver
Frederic Kadey, Denver
George Kunc, Denver
John Lang, Denver
Norris E. Mabry, Channahon, IL

Tom McNamara, Denver
Frank Morgan, Denver
Elizabeth (Jean) Patterson, Denver
Joseph L. Reilly, Pleasanton, CA
Rico Saladrigas, Denver

Lee Swetman, Arlington Hts, IL
Bill Streib, Denver
Jerry Smith, Denver
Lou Tanos, Long Beach Pipe Sales
Norm Tice, Denver
John Van Voorhis, Denver

Waukegan:
2002: Ruth Boghosse

2003:
Orin Monroe
Margaret Petty
George Byerwalter
Harris Bishop

2004:
Peter Garcilazo
John Boegen
Lawrence "Link" Lindquist
Joe Musick
Leotis Tillie

Dick Ostrander
Jerry Kavaliunas
Nello Emerson
Bobby King
Bob Salmon

Judy Varvil
Fannie Bruce
Vuin Wallace
Otha Rhodes
Wilford Wilson

Perry Murley
Ezekiel Parket
Ellis Jarrett
Bob Smith
Charley Dunn

2005:
William Madison
Fritz Krause
Gene Dobrinska
Carl Dove

James Smith
Romas Saulius
John Szczygielski
Charles Wikel

Website

Visit the NRLN website for links to news articles important to retirees.

Articles on Social Security, Medicare, pension plans, health care benefits, legislation impacting retirees and other retirement issues are appearing in the news media. Because the actions reported in these stories may affect the lives of retirees, the NRLN is posting important articles in the News section of the NRLN Website.

You are invited to regularly access <http://www.nrln.org> and click on News among the icons on the left side of the NRLN home page. When you access the News section and click on a headline, you will be taken to a publication's website where the article can be read.

Audit Report from Roger DeVries, C.P.A.

Ladies and Gentlemen:

I have examined the accounting records of the Association for the year 2004.

I have compiled the accompanying Fund Activity Summary as of December 31, 2004, from the Association records and the Johns Manville Credit Union monthly account statements.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited the accompanying Fund Activity Summary and, accordingly, do not express an opinion or any other form of assurance on it.

I found the financial operations of the Association to be in order.

Yours very truly, Roger DeVries, CPA

Johns Manville Retirees Association Fund Activity Summary			
	2004	2003	2002
Beginning Balance, Funds on Deposit	\$53,688	\$55,669	\$65,229
Income: Credit Union Dividends	1,059	1,484	2,720
Dues & Corrections	220	22,610	1,067
Total Income	1,279	24,094	3,787
Expenditures:			
Public Relations Services	568	5,569	0
Legal & Accounting Fees	325	5,702	275
Travel & Dues	7,518	7,112	3,615
Liability Insurance	3,216	3,216	3,216
Newsletters, Postage & Other	4,736	4,476	6,241
Total Expenditures	\$16,363	26,075	13,347
Net Change in Funds During Year	-15,084	-1,981	-9,560
Ending Balance, Funds on Deposit	\$38,604	\$53,688	\$55,669

Dues, Dues, Dues

Your retiree association is dedicated to protecting and improving your benefits. Our greatest concern is your medical and prescription plans—vital benefits promised to you but not guaranteed. We are an active member of the National Retirees Legislative Network which represents millions of retirees and, as an organization, we pay dues to support their efforts. Also, our president, John Leasher, attends network meetings in the nation's capitol and other members of your board may travel there to attend hearings or meet with members of congress.

Your 2005 Retiree Association dues of \$20.00 is vital to supporting this national effort to protect and possibly improve your retiree benefits.

Please return this section of the newsletter with your dues check. You can also access the dues form by going to <http://JMretirees.org> on the internet. Thank you for your support of our retiree association.

To: Johns Manville Retiree Association
 P. O. Box 3336
 Littleton, CO 80161-3336

Date: _____

My dues check for \$20, made payable to *Johns Manville Retirees Association*, is enclosed. *Please print:*

Name: _____ Phone: (____) - _____

Address: _____

City, State: _____ Zip + 4 _____ + _____

E-Mail Address: _____ Dues Enclosed: \$ 20.00

Please provide ZIP + 4 digits code to help the Association save postage. The ZIP + 4 for your home address should be on mailings from utility companies, or you can call your Post Office or you can go to the web site <http://wwwUSPS.com/zip4/>. Enter your address and your ZIP + 4 digit code will be shown. Thank you.