



Vol. L—No. 1

SERVING OVER 390,000 MEMBERS

July 2024

Keeping Your RSA Beneficiary Designation Current THIS IS IMPORTANT!

When was the last time you verified the beneficiary on your retirement account? The RSA encourages all active members to keep their beneficiary designation current and to update it when a significant life event occurs. You can view your current beneficiary designation by logging in to your Member Online Services (MOS) account on our website or by contacting our office to request that this information be mailed to you.

The DESIGNATION OF BENEFICIARY PRIOR TO RETIREMENT form, available on our website or by contacting the RSA, will allow active members to designate their beneficiaries. If an active member passes away without having designated a beneficiary, any death benefits will be paid to the member's estate. If you wish to designate

or change your beneficiary prior to retirement, you must submit a **new** DESIGNATION OF BENEFICIARY PRIOR TO RETIREMENT form to the RSA.

Retirees receiving benefits under the Maximum Option or Option 1 may change their beneficiary after retirement. However, retirees receiving benefits under Option 2, 3, or 4 may designate a replacement beneficiary for a monthly survivor benefit only if the designated beneficiary predeceases the retiree or if the retiree and the designated beneficiary divorce. Any retiree wishing to change their beneficiary must contact the RSA for the appropriate forms.

Remember, keeping your beneficiary designation current is the best way to ensure your wishes are carried out, and your loved ones are cared for. ●

BEWARE: Federal Changes Significantly Increasing PEEHIP & SEIB Costs

Due to changes made by the Centers for Medicare and Medicaid Services (CMS) and Congress' Inflation Reduction Act, the cost for both PEEHIP's and SEIB's Medicare Advantage (MA) plans will significantly increase starting in 2025. What does this mean? Starting in January of 2025, both plans will have to pay more than they pay now for the healthcare of Medicare-eligible members. More specifically, PEEHIP will be charged approximately four times more for the same coverage next year. These cost increases are solely due to the federal changes and will impact all Medicare Advantage plans, not just PEEHIP and SEIB. Please read the *PEEHIP Advisor* and SEIB's *HeathWatch* for a more detailed explanation.

PEEHIP and SEIB are currently faced with the problem of how to fund these significant cost increases. PEEHIP and SEIB are still waiting for the final piece of federal funding, called the Direct Subsidy, to be finalized to know the final impact of the federal changes. Both PEEHIP and SEIB will likely have to request a significant funding increase from the Alabama Legislature to address this problem – a problem created by the federal government and not by PEEHIP and SEIB. ●

Mass Deportation Would Be a Disaster

BY WILLIAM A. GALSTON, *THE WALL STREET JOURNAL*

The issue won't go away, and the recent surge in illegal crossings at ... the southern border has moved the issue to the center of the 2024 presidential contest. A Wall Street Journal poll conducted in March found that, in seven swing states immigration ranked as one of voters' top two concerns. Americans are right to be worried, and it's wrong to

defend mass violations of U.S. law, but the unfortunate reality is that there's no easy fix.

One important aspect of immigration is its effect on demographics. For a population to replace itself, according to demographers, women must have an average of 2.1 children each. The U.S. has fallen below replacement rate in most

years since the 1970s. The Centers for disease Control and Prevention reported in April that the fertility rate in 2023 was 1.62, the lowest on record.

A low fertility rate means fewer young adults entering the workforce to replace retirees, leading to labor shortages

CONTINUED ON PAGE TWO

Mass Deportation Would Be a Disaster

continued from page one

– unless immigration makes up the difference. TrendMacro CEO Donald Luskin estimated that foreign-born people represent 80% of the adult population increase in the U.S. since July 2022 and account for 71% of the 2.5 billion new jobs. Without these workers, he estimated, the economy would have grown “less than a third as much as it actually has.”

Many Americans fear that foreign workers will take jobs away from native born workers, but immigrants often do the lower paying, physically demanding, less desirable job types of work that keep business afloat....

These economic considerations haven't changed the minds of most Americans, who see firsthand the pressure that new immigrants put on housing markets, public schools, and local public services. The immigration surge also has exacerbated fears about crime, even though a recent study from Northwestern University found that immigrants are less likely to be incarcerated than people born in the U. S. ...

Illegal immigration is a real problem, but Trump doesn't have a serious solution.

Policies on the issue are beginning to take shape ahead of November. Donald Trump in a recent interview with Time magazine estimated that 15 million people are in the country illegally, and he said that in a second term he would launch a mass deportation operation using local police, the National Guard, and if necessary, military force.... The logistics are daunting, as are the legal and diplomatic obstacles. Polls show that while Americans are worried about the issue, they're deeply split on whether they support immigrant arrests, deportations, and detention camps.

Whatever Mr. Trump might say, his plan realistically can't be conducted without mass detention. Mass deportations would also hurt the economy, leave many employers with jobs they can't fill, trigger legal resistance and throw the country into chaos. If President Biden doesn't take bold emergency action and offer a serious alternative plan before November, Mr. Trump may well prevail on this issue, with disastrous consequences. ●

New Features for the RSA-1 Deferred Compensation Plan

BY IKEEM MEANS, ASSISTANT DIRECTOR OF RSA-1/PEIRAF

RSA-1 is a Governmental 457(b) plan offered to all public employees in the state of Alabama. This voluntary supplemental retirement plan is administered by the Retirement Systems of Alabama (RSA). We are proud and eager to introduce some of the new features we now offer. Over the past two years, RSA staff has worked diligently on the design of a new RSA-1 computer system. These upgrades will allow us to work more efficiently while also giving our members the opportunity to process requests automatically through our Member Online Services (MOS).

We are thrilled about these changes and hope our members will feel the same. Although the list is not all-inclusive, we want to share some of the key features our new system offers.

ONLINE PROCESSING OF MEMBER REQUESTS

- Enroll online
- Submit contribution allocation changes
- Make investment changes
- Update federal tax withholding
- Submit special catch-up requests
- Initiate and upload distribution requests and beneficiary changes
- Stop periodic distributions
- Check the status of requests and view account details

PROCEDURE ENHANCEMENTS

- Make investment changes more frequently
- Daily valuation of accounts
- Added semiannual and quarterly distribution options

- Accept rollovers from Thrift and Savings Plan (TSP) and 457(b) Roth accounts
- Option to have Roth elective contributions
- Convert pre-tax accounts to a Roth account

If you would like to learn more about these changes or how to become a new RSA-1 member, please contact us at 1.877.517.0020. ●

New TRS Board of Control Member Sworn In

TRS Board of Control Chair Ricky Whaley administers the Oath of Office to Jason Davidson, the Superintendent of Jackson County Schools. ●



Alabama Success Stories

Auburn University's McCrary Institute Harnesses America's Cyber Experts to Safeguard the Nation

eng.auburn.edu/mccrary/

Protecting America's cyberspace and critical infrastructure from cyber threats is a monumental challenge. The McCrary Institute for Cyber and Critical Infrastructure Security at Auburn University is taking on this vital mission, fusing cutting-edge research, education, and policy expertise to safeguard our national security.

With locations and teams of proven researchers inside Auburn University's Samuel Ginn College of Engineering and offices in Washington, D.C., and Huntsville, the McCrary Institute is a non-partisan think tank and research institute comprised of some of the nation's premier public and private-sector cyber experts.

"Our focus is on bridging the gap between theoretical concepts and practical capabilities in cybersecurity," said McCrary Institute Director Frank Cilluffo, previously a member of the federal Cyberspace Solarium Commission and served as a Special Assistant to President George W. Bush for Homeland Security.

"The goal is to combine empirical science with strategy to create actionable roadmaps for policy-makers, emphasizing the need for

a unified approach that incorporates policy, research, and education to enhance our security at both national and state levels."

The institute draws on the extraordinary capabilities of its experts, on and off campus, to develop real-world solutions to pressing cybersecurity concerns. Talented faculty in the top tiers of their disciplines bring decades of experience and innovation to the intricate challenges of protecting the nation's infrastructure. Strategic focuses include:

- Identifying the most concerning cyber and critical infrastructure security issues and challenges on and over the horizon. Informing decisionmakers and collaborating with them to help shape strategy and outcomes that support and advance U.S. national and economic security.
- Enhancing awareness and understanding of cybersecurity by providing expert content, analysis, and resources to a wide audience through multimedia channels and in-person forums.
- Convening leaders in an environment of trust that

encourages candid discussion and actionable solutions that build deep, long-term bonds with key practitioners as well as their agencies/companies.

- Partnering with decisionmakers in government and industry and connecting them with our subject matter experts and students to advance work on current and emerging threats.
- Bringing greater visibility to cyber and critical infrastructure security issues to build public awareness.

The institute has also recently started working on a \$10 million grant from the U.S. Department of Energy to create a "collaboration center" that will bring experts together to develop real-world solutions for protecting the power grid and other sectors.

Though the institute works diligently with federal cybersecurity officials in Washington, D.C., it's also making a difference right here in Alabama. The State of Alabama Office of Information Technology has partnered with the McCrary Institute and

Troy University on an initiative — the Alabama State and Local Cybersecurity Grant Program — geared to assist local governments in

determining their current cybersecurity readiness levels.

With an emphasis on policy and education, the institute has launched a new podcast, Cyber Focus (<https://eng.auburn.edu/mccrary/cyber-focus-podcast>), which features the biggest names in cybersecurity discussing the most pressing issues. The institute also has an impressive roster of cybersecurity experts who serve as senior fellows at the institute, bringing their vast experience to help the institute shape cybersecurity policy on the national and state levels.

"Auburn is poised to achieve wide-ranging impact by marshaling and mobilizing the wealth of policy, research and technology expertise that resides at the Samuel Ginn College of Engineering and the university as a whole," Cilluffo added.

This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●



AUBURN UNIVERSITY
McCrary Institute

Alabama 10th In 'Brain Drain'

BY WARREN KULO | WKULO@AL.COM

A recent study has found Alabama to be among the states suffering most from brain drain... The simple fact is this: More well-educated residents are leaving the Yellowhammer State than are moving in – 45% more in 2023, to be exact. That ranks Alabama 10th among states suffering the largest losses among the educated population.

The report, compiled by Hire A Helper, which in addition to

finding people assistance when relocating, tracks moving data across the U.S. The study's authors found the Southeast and parts of the Midwest accounted for the most losses among college educated residents. For the purposes of the study, "college educated" was defined as someone who has at minimum completed an undergraduate/Bachelor's degree.

CONTINUED ON PAGE FOUR

Start Planning Your Fall Getaways at RSA's Outstanding Hotels, Spas, and RTJ Golf



Member Hotel
Discounts Webpage

RETIREMENT SYSTEMS OF ALABAMA
201 SOUTH UNION STREET
P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

PRST STD
U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR SUMMER/FALL A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$129

- July 1-6, 12-14, 26-31 • August 1-10, 21-31
- September 1-10, 13-29

The Battle House RSA Spa Package \$244

- July 1-3, 29-30 • August 5-7, 21, 26-28
- September 2-4, 9-10, 16-18, 23-25

Riverview Plaza \$119

- July 1-6, 12-14, 26-28 • August 4-10, 15-24, 30-31
- September 1-4, 6-8, 20-23, 27-30

Grand Hotel \$137 (plus a 15% resort fee)

- July 7-8, 16-18, 24-25, 30
- August 4-7, 11-13, 20-22, 25-28
- September 2-3, 8-10, 15-17, 22-24, 29-30

Grand Hotel RSA Golf Package \$209 (plus a 15% resort fee)

- July 7-8, 16-18, 24-25, 30
- August 4-7, 11-13, 20-22, 25-28
- September 2-3, 8-10, 15-17, 22-24, 29-30

Grand Hotel RSA Spa Package \$285 (plus a 15% resort fee)

- July 7-8, 16-18, 24-25, 30
- August 4-7, 11-13, 20-22, 25-28
- September 2-3, 8-10, 15-17, 22-24, 29-30

Marriott Shoals \$119

- July 1-2, 7-8, 14-15, 21-22, 28-29
- August 1, 11-12, 18-19, 25-26
- September 2-3, 8-9, 22-23, 26, 30

Marriott Shoals RSA Spa Package \$229

- July 7, 14, 21, 28 • August 1, 11, 18, 25
- September 8, 15, 22, 26

Renaissance Ross Bridge \$129

- July 1-3, 8, 10-11, 21, 28, 31
- August 1, 4-6, 11-12, 14-15, 18, 21, 25, 28-29
- September 2-5, 8, 22

Renaissance Ross Bridge RSA Spa Package \$260

- July 14, 23 • August 4-5, 11-12 • September 8, 22

Auburn/Opelika Marriott Resort \$119 (plus a 10% resort fee) Web reservation will show \$144, including \$25 resort fee. Guest will only be charged RSA rate at checkout.

- July 5-9, 14, 17-18 • August 18-21, 27-28
- September 8-9, 16-17, 22-23

Auburn/Opelika Marriott Resort RSA Spa Package \$234 (plus a 10% resort fee)

- July 3, 7-8, 10
- August 18-19, 21, 25-26, 28-29
- September 8-9, 17, 22-23

Prattville Marriott \$109

- July 1-2, 7, 28-30 • August 11, 14-15, 29-31
- September 1-2, 15, 24-25, 29-30

Renaissance Montgomery \$129

- July 1-8, 20-23, 28, 31
- August 4, 8-12, 14-16, 22, 28
- September 1, 8, 11-12, 14-16, 22, 28

Renaissance Montgomery RSA Spa Package \$244

- July 2-6, 20, 23, 31 • August 8-10, 22, 24
- September 11-12, 14, 28

Specific room requests may require additional charge.
Rates available the 1st of the month and are not applicable to groups.

Corporate/Promotional Code: R2A
on www.rsa-al.gov

Book Online and Save RSA \$4.

Alabama 10th In 'Brain Drain'

continued from page three

Here are the top 10 states where brain drain was the most severe in 2023:

- South Dakota – 72% net loss
- Mississippi – 67% net loss
- Oklahoma – 62% net loss
- Louisiana – 62% net loss
- Missouri – 62% net loss
- New York – 56% net loss
- Arkansas – 48% net loss
- Alaska – 48% net loss
- Iowa – 46% net loss
- Alabama – 45% net loss**

Seven of those 10 states are also traditional “red” states, consistently voting Republican, while six of the 10 states which had the greatest gains in college-educated residents were “blue” states, consistently voting Democratic.

At the other end, Washington gained the most college educated residents in 2023, with a net increase of 169%.

Here's the complete top 10 for most college-educated residents gained:

- Washington – 169% net gain
- South Carolina – 137% net gain
- Nevada – 111% net gain
- Wisconsin – 110% net gain
- Michigan – 75% net gain
- Wyoming – 59% net gain
- Maryland – 58% net gain
- Pennsylvania – 51% net gain
- Colorado – 50% net gain
- Rhode Island – 45% net gain

(Editors note: We need to focus on this for our future.) ●

FOLLOW US

X @RSAALGOV



CEO

David G. Bronner

Deputy Director – Administration
Jo Moore

Deputy Director – Investments
Marc Green

Executives

Communications
Deborah J. Kirk

Chief Accountant & Financial Officer
Diane E. Scott

Employees' and Judicial Retirement
William F. Kelley, Jr.

Employer Services
Margaret B. Sellars

Field Services
Christopher C. Gallup

Information Technology Services
Michael T. Baker

General Counsel
Jared H. Morris

Legislative Counsel
Neah M. Scott

Member Services
Penny K. Wilson

PEEHIP

J. David Wales

RSA-1

Rhonda H. Peters

Teachers' Retirement
Christopher P. Townes

The Retirement Systems of Alabama
201 South Union Street
P.O. Box 302150
Montgomery, Alabama 36130-2150
Phone: 334.517.7000
877.517.0020

RSA Website: www.rsa-al.gov