



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 358,000 MEMBERS

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Prisons, Education, Taxes, Trust

What do Alabamians think?

BY RYAN HANKINS, PARCA EXECUTIVE DIRECTOR

A slight majority of Alabamians oppose building new prisons, but an overwhelming majority support expanding rehabilitation and re-entry programs for people leaving prison, returning nonviolent offenders to the community, and spending more on education.

These are among the key findings of the Public Affairs Research Council of Alabama's Public Opinion Survey: 2019 Edition. The full report is located on the PARCA website at www.parcAlabama.org.

The survey, conducted in partnership with Samford University and led by Dr. Randolph Horn, again found high levels of agreement on critical issues facing the state.

Alabamians value education, rating it a top priority among major state services. State residents say education investment should be increased, as too little is now spent on education.

While not agreeing on the source of revenue, a majority of residents are willing to pay more in taxes to increase funding for education.

There is some evidence that the current tax system is seen as regressive: Majorities of residents say low-income residents pay too much, and those with higher incomes pay too little.

Consistently high percentages of Alabamians feel that they have no say in Montgomery or that state officials do not care what they think suggests that Alabamians do not believe state government is responsive to their concerns.

CORRECTIONS

- 86% support expanded rehabilitation and re-entry programs for people in prison.
- 83% support moving people with nonviolent convictions back to the community.
- 58% oppose building new prisons to address overcrowding.
- 54% believe only violent offenders should go to prison.

EDUCATION

- 74% believe the state spends too little on education.
- 69% support increasing taxes to support education, but no single option garners majority support.

Investments by the Retirement Systems of Alabama (RSA)

(EXCERPT FROM ALABAMA'S PUBLIC PENSION FUND GROWTH AND ECONOMIC EXPANSION SINCE 1973) BY MARK FAGAN (BOOKBABY.COM)

Pensions are group plans where thousands of workers and their employers all pay into one fund. That fund is managed and invested by professionals, who invest for long-term growth. As a result, most public pension funds earn between 50% and 70% of their revenue from investment returns, except during the Great Recession of 2008 and 2009.

The RSA has the fiduciary responsibility to provide retirement and disability benefits to public employees and public educators in Alabama. The RSA includes the Teachers' Retirement System, the Employees' Retirement System, and the Judicial Retirement Fund. To pay for these retirement benefits, the RSA has three income sources: employee contributions, employer contributions, and RSA investment income.

The investment philosophy for the RSA is determined with careful consideration of its primary fund purpose, fiduciary obligations, statutory requirements, actuarial assumptions, funding policy, liquidity needs, income sources, benefit obligations, and other general business conditions. The RSA has a long-term strategy with diversified assets, and the goal of minimizing large losses, while using in-house investment expertise to minimize investment costs. The RSA invests across a wide spectrum of market-related risk in a prudent manner, and in Alabama businesses when returns are comparable to similar investments.

The RSA invests its members' \$40 billion in assets in a diversified portfolio. The following percentages are approximations for combined TRS, ERS, and JRF assets. At the end of FY 2018, RSA assets were in 24 countries and included Domestic Stocks – 57.0%, International Stocks – 13.0%, Bonds – 13.0%, Government Bonds – 8.0%, and Real Estate – 9.0% (55 Water Street building – 4.0%, office and industrial buildings in Alabama – 3.0%, hotels in Alabama – 1.4%, and RTJ Golf Courses – **0.6%**).

For FY 2018, RSA's investment costs averaged 3 basis points (or 0.03% of its assets) or around \$12 million. Two other states the size of Alabama with external money managers cost one state \$340 million and the other \$460 million for one year. The money saved by managing investments at the RSA instead of using outside firms means more money for paying benefits to RSA members. ●



What I Wish I Had Known Sooner

BY RHONDA H. PETERS, DIRECTOR OF RSA-1

In all of my years working at the RSA, I have NEVER heard a member say, "I wish I had not joined RSA-1." What I do hear them say is, "I wish I had known about it sooner" or "No one told me about it until later in my career."

One of the most important reasons many do join RSA-1 sooner rather than later is the power of compounding interest.

Would you like to have \$100,000 when you retire? By starting at age 25 and contributing \$100 per month to a tax-deferred retirement plan, such as RSA-1, you will have accumulated \$100,451 by the time you are age 55*. Investing your money in stocks or bonds is not something you can do and get rich quick; rather, your funds build over time through the power of compounding interest.

Rates of return are posted on the average daily balance, so the longer you have an account, the more your average daily

balance includes prior interest earned. By committing to a savings plan early, you can contribute less but save more.

Below are two examples of **actual** RSA-1 member accounts that the member began contributing early in their career, then gradually increased their contributions over time.

Time Period: 23 years from 1995 – 2018 Total contributions:\$54,025 Total interest earned:\$49,962 Account Balance as of August 2018: ..\$103,987	Time Period: 24 years from 1986 – 2010 Total contributions:\$163,000 Total interest earned:\$394,516 Account Balance as of August 2018: ..\$557,516
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Maybe you feel like you could never contribute that amount of money. You will never know if you don't ever start saving. Teachers and state employees receive a Cost-of-Living Adjustment (COLA) October 1, 2019, or you may have recently received a salary increase. How will you spend that extra income now that you

know the key to saving is to start early? One way to spend the COLA is to begin participating in RSA-1. If you are already a member, this is the perfect opportunity to increase your deferral amount.

RSA-1 is a free benefit offered to all **active** public employees (state, local, and education employees) and does **not**

charge its members any fees! If you are interested in starting your RSA-1 Deferred Compensation savings today, contact the RSA at 877.517.0020 and ask for an RSA-1 Representative or speak with your HR/ Payroll Officer. ●

* This example assumes a 6% rate of return and is only an example, not a guarantee of how any RSA-1 investment options will perform in the future.

What Is A STAR ID and Do You Need One?

SOURCE: ALEA

WHAT IS A STAR ID?

STAR ID stands for Secure, Trusted, and Reliable Identification.

In order to comply with the REAL ID Act of 2005, the Alabama Law Enforcement Agency developed the STAR ID program. The STAR ID is a step beyond an ordinary Alabama driver license or non-driver identification card and meets the requirements of federal law.

WHAT IS THE REAL ID ACT OF 2005?

In response to the attacks of September 11, 2001, the ongoing threat of additional terrorist activity, and various immigration issues pertaining to terrorism, the United States Congress passed the REAL ID Act of 2005. This legislation modified U.S. federal law pertaining to security, authentication, and issuance procedure standards for state driver licenses and identification cards.

In the future, only those state-issued

driver licenses and identification cards which are fully compliant with the REAL ID Act of 2005 will be authorized for use as identification for official federal government purposes, such as boarding commercial aircraft and entering certain military bases and regulated federal facilities.

DO YOU NEED A STAR ID?

If you fly **domestically**, visit **military bases**, or **certain regulated federal facilities** and **DO NOT** have a valid (unexpired) passport, you should obtain a STAR ID.

If you may need to access a military base and do not possess a military identification card, a STAR ID will be required.

Effective October 1, 2020, every air traveler will need a REAL ID compliant license/ID (STAR ID) or another form of identification for domestic air travel. (See TSA's website for a full list of acceptable

identification for domestic air travel.)

HOW DO I OBTAIN MY STAR ID?

STAR IDs are issued **only at Alabama Law Enforcement Agency Driver License exam offices**. County operated license offices will continue to provide renewals/duplicates for licenses, ID cards, and STAR IDs. **For fast and convenient service, schedule an appointment online at www.alea.gov.**

To obtain a STAR ID, applicants must present the following documents:

1. **State certified birth certificate or unexpired passport**
2. **Social Security card or a document with your name and FULL SSN**
3. **Two (2) documents verifying address of principal residence** (voter registration card, vehicle registration, utility bills no older than 90 days, latest tax return, or any state or federal document) ●

Military Veterans Burial Options in Alabama

ALABAMA DEPARTMENT OF VETERANS AFFAIRS | VA.ALABAMA.GOV

Being buried in a military state or national cemetery is something many military veterans hope for, but the service member must meet certain requirements.

Veterans, their spouses, and their dependent children can be buried at the Alabama State Veterans Memorial Cemetery at Spanish Fort. The state veterans cemetery was dedicated on December 7, 2012, and follows National Cemetery Administration and federal VA standards in addition to state policies and procedures.

Pre-registration is available and allows a veteran and their spouse to establish, in advance, their eligibility for burial. Pre-registration simplifies and assists the veteran's next-of-kin at the time of

death. The key items needed for pre-registration are a copy of the DD Form 214, and for married veterans, a copy of the marriage certificate. The pre-registration form is available at va.alabama.gov/wp-content/uploads/2019/04/adva-21-pre-app.pdf.

For more information about the cemetery, visit va.alabama.gov or call 251.625.1338.

Military veterans are also eligible to be buried in a national cemetery if the member dies on active duty or was discharged under conditions other than dishonorable. According to the VA's website, burial in a VA national cemetery is available



for eligible veterans, their spouses, and dependents at no cost to the family. Services include the gravesite, grave-liner, opening and closing of the grave, a headstone or marker, and perpetual care as part of a national shrine. For veterans, benefits also include a burial flag and military funeral honors; family members of deceased veter-

ans may request Presidential Memorial Certificates.

For more information on these burial benefits, visit www.cem.va.gov/burial_benefits/. ●

Alabama Success Stories

Explore Battleship Memorial Park in Mobile

From her humble beginnings on February 1, 1942, as the keel was laid at the Norfolk Navy Yard in Portsmouth, Virginia, Battleship USS ALABAMA (BB-60) has had a remarkable career. She began her World War II adventures in the North Atlantic in 1943, then later that year, went to the South Pacific seas.

Home to a crew of 2,500 courageous Americans, this 45,000-ton gentle giant's WWII adventure culminated when she led the American Fleet into Tokyo Bay on September 5, 1945, the day after the surrender documents were signed. Nine Battle Stars for meritorious service were awarded the "Mighty A" during her brief three-year tenure as the "Heroine of the Pacific."

Decommissioned in 1947, the ALABAMA was scheduled to be scrapped in the early 1960s. A forward-looking group

of Alabamians saw a bright future in the aging warship as the anchor attraction of a Memorial Park to be located in Mobile. That dream came true on January 9, 1965, when USS ALABAMA Battleship Memorial Park opened to the public.

In addition to the "Mighty A," the park includes the submarine USS DRUM, which is marking its 50th anniversary at the park. You can also discover heroes at the Aircraft Pavilion, tour the Tanks & Artillery dotted around the park, and visit the Park Memorials.

If you want to plan a visit or become a member to support this great park, visit their website at www.ussalabama.com.

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

Prisons, Education, Taxes, Trust

What do Alabamians think?

CONTINUED FROM PAGE ONE

TAXES

- 45% say they pay the right amount of taxes.
- 45% say lower-income earners pay too much.
- 52% say upper-income earners pay too little.

TRUST IN GOVERNMENT

- 82% support keeping the General Fund and Education Trust Fund separate.
- 69% believe state government officials do not care about their opinions.
- 57% believe they have no say in state government.

The survey of 410 randomly selected Alabamians was conducted between January 28, and March 3, 2019, and yields a margin of error of +/-4.8 percent. ●





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

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

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

ENJOY YOUR FALL
A Special Deal
FOR RSA MEMBERS

**The Battle House,
A Renaissance Hotel—Mobile—\$119**
• September 1-5, 8-19, 26, 29-30
• October 3-10, 13-15, 20-24, 26-30
• November 1, 8-14, 16-20, 22-30

The Battle House—RSA Spa Package—\$207
• September 2-4, 9-11, 16-18, 30
• October 7-9, 14-15, 21-23, 28-30
• November N/A Spa Renovation

The Renaissance Riverview Plaza—Mobile—\$109
• September 1-5, 8-10, 14-15, 26-30
• October 5-7, 13-17, 23-24, 27-31
• November 1-2, 10-14, 17-27

Grand Hotel—\$127 plus a 15% resort fee
• September 2, 8-9, 12, 15-16, 22-23, 29-30
• October 6-8, 20-22, 27-31
• November 3-4, 10-11, 17-18

Grand Hotel—RSA Golf Package—\$199 plus a 15% resort fee—Promotional code—R2A
Includes: Deluxe Room, One Round of Golf for Two People. Call for Tee Times after booking package
• September 2, 8-9, 12, 15-16, 22-23, 29-30
• October 6-8, 20-22, 27-31
• November 3-4, 10-11, 17-18

Grand Hotel—RSA Spa Package—\$259 plus a 15% resort fee
• September 2, 8-9, 12, 15-16, 22-23, 29-30
• October 6-8, 20-22, 27-31
• November 3-4, 10-11, 17-18

Marriott Shoals—Florence—\$109
• September 2-5, 8-10, 15, 22, 29
• October 6, 20, 27 • November 3, 10, 17, 24, 28

Marriott Shoals—RSA Spa Package—\$210
• September 8, 15, 22, 29 • October 6, 20, 27
• November 3, 10, 17, 24

Renaissance Ross Bridge—Hoover—\$119
• September 2-5, 8-10, 15, 18, 22, 29-30
• October 1-3, 5-6, 9-10, 14-17, 20, 23, 29-31
• November 1-3, 7, 10-17, 20, 22-30

Ross Bridge—RSA Spa Package—\$223
• September 2-4, 8-10, 15, 18, 22, 29-30
• October 1-2, 6, 9, 14-16, 20, 23, 29-30
• November 3, 10-13, 20, 24-27

Auburn/Opelika Marriott—\$109
• September 2-3, 5, 8-11, 17-26, 29-30
• October 1-3, 15-17, 19-29, 31
• November 3-14, 17-21, 24-28

Auburn/Opelika Marriott—RSA Spa Package—\$201
• September 2-3, 5, 8-11, 17-19, 22-26, 29-30
• October 1-3, 15-17, 20-24, 27-29, 31
• November 3-7, 10-14, 17-21, 24-26

Prattville Marriott—\$89
• September 1-2, 29 • October 6, 27
• November 3, 10, 17, 21, 24-30

Renaissance Montgomery—\$119
• September 1-3 • October N/A • November 3, 11, 17, 26
RSA Spa Package—\$209—Promotional code—R2A
• September 3 • October N/A • November 26

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

800-228-9290 Ask for RSA rate. **Promotional Code: R2A** on www.rsa-al.gov
Book Online and Save RSA \$4.



Member Hotel
Discounts Webpage

ERS Board Member Steve Walkley Retires, Candidates Sought

Candidates are now being sought for the Active State Employee, Position No. 1, on the Employees' Retirement System Board of Control. Because Mr. Steve Walkley has retired, it makes him ineligible to retain his current position on the ERS Board.

Nominees must be active, vested members of the ERS by virtue of employment with a state agency. This position is a four-year term, which will begin immediately at the conclusion of the special election and end September 30, 2022.

Nomination packets are available at www.rsa-al.gov or by contacting the Election Coordinator at 334.517.7192 or 877.517.0020. The completed packet must be returned to the ERS office by 4:00 p.m., September 16, 2019. ●

WANT TO HELP?



A FREE CAR TAG

Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourist Department advertise "Alabama's Robert Trent Jones Golf Trail" on your front bumper? If so, call to request a tag at 334.517.7000 or 877.517.0020, or write:

Tag, P.O. Box 302150
Montgomery, AL 36130-2150



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