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Pre-Session Issue

January 6, 2015



Governor's Budget Proposal is A Call to Action for State Employees

Governor McAuliffe's 2015 proposed budget amendments contain nothing to improve State employee salaries and benefits. In his address and subsequent briefing to the General Assembly money committees on December 17, the Governor laid out his budget priorities and amendments to the 2014-2016 biennium budget.

The **proposed amendments don't call for further cuts in state agency budgets beyond those previously announced this fall.** This is generally good news and means further layoffs are unlikely. However, the Governor specifically highlighted the plight of local deputy sheriffs, noting that some are purportedly receiving food stamps, proposing a salary increase for entry-level deputy sheriffs (who are local employees). The Governor also proposed using the proceeds from the sale of \$150 million in unclaimed securities held by the Unclaimed Property Division of the Department of the Treasury, to bolster the funding of local teacher pensions.

This **focus on local government employees**, along with the **complete lack of attention and acknowledgement of State employees**, brought **swift reactions** from **VGEA Executive Director Ron Jordan and Virginia State Police Association Executive Director Wayne**

Save the date:

VGEA Legislative Day:

Presidents' Day

Monday,
February 16,
8:30 a.m.-1 p.m.
For more details and to RSVP

**call the VGEA Office toll-free:
877-302-7146**



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Rollover accounts remain popular with our clients. Remember that all deposits are guaranteed for the lifetime of the policy. There are no negative tax consequences, service fees or commission loads for the rollover. Plus the deposited funds can be made accessible with most of these policies.

Retirement options for all VGEA members are still good as interest rates remain high - rates range from 1.8 percent in monthly cap accounts to 3.78 percent in annual cap accounts.

- * First day bonuses are crediting from 4 to 8 percent on all deposits
- * Some deposit bonuses continue for consecutive years (great for **Roth IRAs**)
- * Other annual accounts are available with a 4 percent cap

Huggins, who told the media immediately following the Governor's address that: "We're extremely disappointed," said Huggins, "And somewhat angry," added Jordan.

The Governor's spokesman Brian Coy said McAuliffe is fulfilling a campaign promise by addressing salaries for deputies, some of whom rely on food stamps, but noted that McAuliffe also said the proposal is "just the tip of a much broader issue related to the salaries we provide for our public servants." **Jordan said State workers in hazardous jobs "deserve the same attention and consideration," and noted that a recent State Department of Human Resource Management report found that 3,800 state employees rely on public assistance. "It's very, very frustrating," Huggins said on behalf of the State Police.**

The Governor's omission also caught the attention of legislators. "I did note with interest that he singled out teachers and deputy sheriffs, but there was no mention of State employees and State Police," said S. Chris Jones (R-Suffolk), the House Appropriations Committee chairman.

The VGEA's top 2015 Legislative Priority deals with this matter by calling for "Additional compensation recognizing the many years where there has been none, and to begin closing the competitiveness gap. Action in 2015 should at least keep up with inflation." The VGEA is contacting every member of the General Assembly before the session begins next week to make the case for state employee pay raises.

The active support of every VGEA member will be required to make this drive for positive compensation action a success. More details will be coming in the first edition of the weekly **VGEA Legislative Bulletin** and in the upcoming edition of **ForeSight**. The VGEA will continue to keep you informed.

Schultze to Leave Virginia Retirement System

Richmond Times-Dispatch
Tuesday, January 6. By Michael Martz

plus a bonus credit
 * The Madison National Roth IRA is still **payroll deductible** and paying a **guarantee of 4.25 percent!** Start one for just \$30 per paycheck.

The **Hanson Agency** is following up with all VGEA members who had been contacted in 2014. Please check your email and voicemail for messages. For information or questions, email **charlieoconnor82@yahoo.com** or call **804-339-7039**.

The Virginia Retirement System is about to lose its longtime leader.

Robert P. Schultze announced today that he will resign as director of the Virginia Retirement System, effective Feb. 16, to take a new job in Washington.

Schultze will become chief executive officer of ICMA Retirement Corp., ending a long career in state government, including almost 10 years as leader of the \$66 billion retirement system that administers the pensions for about 600,000 state and local government employees and retirees.

[Click here](#) to read the entire *Richmond Times-Dispatch* article.



Robert P. Schultze

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