



A FAREWELL TO BRUCE

BY JIM MOSMAN, NCTR EXECUTIVE DIRECTOR

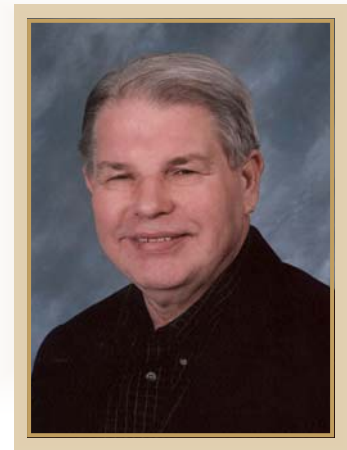
If NCTR were to create a Hall of Fame, **BRUCE HINEMAN** would be a charter member. His record of accomplishment with the organization is unparalleled. Bruce was a very active NCTR member during his years as Executive Secretary of the Texas Teacher Retirement System from 1981–1991. During this period, he was an NCTR officer and served as its part-time Executive Secretary. In 1991, NCTR created a full-time Executive Director position and Bruce was appointed to the post. For most of NCTR’s history dating back to the 1920’s, the primary activities of the organization were the Annual Convention and occasional lobbying at the Federal level. During Bruce’s ten years as Executive Director, the organization greatly expanded the scope of services offered to the membership. Under his leadership, the following occurred:

- In 1988, while working for NCTR on a part-time basis, Bruce established the first System Directors meeting (a weekend event at the Chicago Airport Hilton).

- In 1992, a full-time governmental relations program was created and Cindie Moore was retained as Washington Counsel.
- During the 1990’s a number of workshops were established to enhance the skills of staff in member systems. These continue to this day.
- In July 2001, the first Trustee Workshop occurred in Portland, Oregon.
- During his entire tenure with NCTR, the Annual Convention further established its reputation for quality and content.

Notwithstanding all of his program accomplishments, as NCTR Executive Director, most of us who knew and worked with Bruce appreciated him for other qualities. He had a bigger than life personality that could fill any room with his laughter. But at the same time, he was caring and sympathetic. He had a close set of friends from his earlier NCTR days, but he always tried to integrate others into the NCTR family.

Bruce was literally the first pen-



Bruce Hineman
December 16, 1937–July 12, 2008
His record of accomplishment with the organization is unparalleled.

sion person I met outside of California. He made it a point to introduce me to my counterparts in other states and to get me involved in NCTR activities. I certainly had no thought that one day I would have to fill his shoes as NCTR Executive Director; but once again, he was a fabulous mentor.

To my knowledge Bruce enjoyed only one minor vice. He loved to play poker with friends, and there was usually a friendly game going at many NCTR events. After his retirement in 2001, he continued



CAPITOL COMMENTARY

THE TAXMEN ARE COMING!
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(WITH APOLOGIES TO PAUL REVERE)

BY LEIGH SNELL, NCTR FEDERAL GOVERNMENTAL RELATIONS REPRESENTATIVE



The Internal Revenue Service (IRS) has decided that it is guilty of not paying enough attention to the needs of governmental plans, and so has decided to do something about it.

The IRS is concerned that it has not dedicated the time and effort to the governmental plans area that our size and importance warrant. It wants to make amends by ensuring that governmental plans have the tools they need to comply with the law, and that worker retirement benefits are protected. The agency is worried, however, that it doesn't know enough about public plans to draw any conclusions as to plan concerns or needs. It, therefore, has decided to conduct a survey, which could be arriving in some lucky plans' mailboxes within the next month or two.

In other words, "We're from the Federal government, and we're here to help."

Bless their hearts.

Unfortunately, the survey has proved to be somewhat problematic. For example, the first draft of the survey questionnaire touched on issues outside the IRS' jurisdiction and on tax code provisions inapplicable to public plans. Furthermore, by planning to survey only a random sample of plans, the IRS' overall methodology raised the possibility that an inaccurate picture of a very diverse community could result.

Perhaps the most disturbing aspect of the entire undertaking, however, has been the IRS' intention to use the survey results to "evolve to compliance," as they put it. The problem is that in order to hold plans responsible for compliance with applicable Federal tax law and its implementing rules and regulations, there needs to be a clear understanding of what these rule and regulations are. But this is sadly lacking in many areas.

Therefore, it would seem that a much better approach would be to focus on areas where additional clarifications and guidance are needed, not on what plans are currently doing to comply with often unclear and unsuitable rules and regulations. Ultimately, auditing plans for failures to comply

with the law before its correct application has been spelled out would be a classic case of putting the cart before the horse.

Fortunately, a number of Members of Congress share NCTR's concerns with the approach the IRS appears to be taking. They have therefore asked IRS officials to appear before a Congressional Roundtable, along with public sector representatives, to discuss the agency's intentions in more detail, and to engage in a dialogue concerning the issues raised by governmental organizations. Hopefully, this will provide an opportunity to assist the governmental plan sector in complying with tax qualification requirements of Federal law, while also respecting the authority and prerogatives of state and local governments and their retirement systems.

Public plans and their sponsors are just as concerned as the Federal government that public employees receive the retirement benefits to which they are entitled—and the track record of the public sector certainly bears this out.

Public plans clearly want to play by the rules, but the rules need to be clear first.



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to organize a yearly poker event with a group of former NCTR administrators.

There has been tremendous turnover in pension system administrators and trustees during the past seven years as the baby boom generation has transitioned into retirement years. Many of the newer administrators and trustees did not have the opportunity to work with Bruce and enjoy social interaction with him; however, his legacy of accomplishment continues to be present in the organization.

Bruce Hineman was a giant in stature and in spirit. NCTR is a far better organization because of his achievement and his dedication to teacher retirement systems.



❖ NCTR Past Presidents (l to r) Don Miller, David Mustoe, Steve Curry, Jim Perry, Gene Waschbusch, Tommy Beavers, and Frank Ready gathered to pay respects to Bruce Hineman.

YET ANOTHER VOICE LOST



JAY KAPLAN, Vermont STRS trustee, staunch NEA activist, and an outspoken advocate on retired teacher issues lost a five-year battle with cancer on August 23. Kaplan was a familiar face and voice at NCTR meetings, including those of the Legislative Committee, on which he served many years as Vice Chair. *Vermont-NEA Today* (March 2006) praised Kaplan's "vision, vigilance and dogged advocacy, most of it out of the public spotlight," for having "benefited a generation of Vermont teachers."

ONLINE RETIREMENT ESTIMATOR

Immediate and Personalized. Convenient and Interactive. Secure.

In July, Social Security launched an on-line, easy-to-use calculator that provides an estimate of an individual's benefits at age 62, at full retirement age, and at 70. This unique tool is tied to actual Social Security earning records, streamlining its use. Only benefit estimates are provided online—no other personal information—to protect privacy. Try it out at: www.socialsecurity.gov/estimator.

CONVENTION AT A GLANCE

Pre-Convention Seminar

Ambassador Chas. W. Freeman, Jr., on *Foreign Policy Challenges Facing a New President*

General Session Presentations

Historian Michael Beschloss on *The Presidency*

CNN's Gloria Borger on *Elections 2008*

NYSE Chairman Marshall Carter on *Global Markets*

Communications expert Arch Lustberg on *Lessons from Elections '08*

NCTR's Leigh Snell with a *Legislative Session*

Plus panels on *Economics; The Future of Retirement Security; and The Evolution of Public Funds*

And during meals

Luncheon address by Dillard University President Marvalene Hughes on *Dealing with a Crisis*

Dinner address by 2008 National Teacher of the Year Michael Geisen, Crook County Middle School, Oregon

Trustee Luncheon address by Beth Almeida, NIRS, and Gerri Madrid-David, NPPC

Workshops

1. Asset Allocation Trends
2. What Concerns Your Actuary?
3. Getting Past Sub-Prime Issues
4. Infrastructure Investing: What You Need to Know
5. Update on Legal Issues Affecting Public Plans



On the move SHIFTS IN SYSTEM DIRECTORS



MICHAEL NEHF is Executive Director, **State Teachers Retirement System of Ohio**, after more than three years as Executive Director at ERS of Georgia and ten at the Chicago teacher fund. He succeeds Damon Asbury, who retired in June.

STEVEN RUSSO is Executive Director, **Indiana State Teachers' Retirement Fund**, replacing Cristy Wheeler.

LONG-TERM BOARD LIAISON RETIRES



Board Liaison **MARILYN FULLER-SMITH** sums up her work at **Pennsylvania Public School Employees' Retirement System** as a "history of great joy." A few trustees, including NCTR President Melva Vogler, have served on the board since Fuller-Smith took on her role 14 years ago. Much has changed in those years, says Fuller-Smith, citing the welcome evolution from "monstrous board packages" to almost paperless materials.

"Marilyn served PSERS with great class, expertise, and diplomacy," says Vogler, "a task the diverse personalities and variety of experiences among our trustees made an interesting challenge. She will be missed by all of us at PSERS."

"EXCEPTIONAL...1ST RATE...TIMELY..."



That's the feedback on the evaluations for NCTR's 8th Annual Trustee Workshop held in Universal City, California, at the end of July. Trustees flew in from across the nation to hear updates on financial economics, the subprime meltdown, and the stressed dollar.

Top left, **JEFF EZELL**, **GREG SMITH**, and **DANA DILLON** (of **Georgia**, **Colorado**, and **California**, respectively) share pointers on surviving "Divestment Mania." During lunches, Henry Cisneros of CityView inspired the group with urban investment insight and columnist Dan Walters honed in on California politics.



After hours, trustees were rewarded with a private tour of Universal Studios (bottom left).

2008 DATES TO NOTE

**Nominations Due
September 15**

Email to Jim Mosman:
jmosman@nctr.org

**86th Annual Convention
October 11-16**

The Omni Shoreham
Washington, D.C.

**REGISTER BY 9/12 TO AVOID
LATE FEE**

WELCOME TO NCTR New 2008 Associate Members Commercial

- Wilshire Associates Incorporated
- Humana Inc.
- Schroder Investment Management, North America Inc
- Abbey Capital Limited
- New York Life Investment Management, LLC
- Macquarie Group
- Legg Mason Capital Management
- Muzinich & Co., Inc
- Munder Capital Management
- Westwood Holdings Group, Inc.
- Fisher Investments
- Henderson Global Investors
- Scott+Scott LLP

Non-Commercial

- Illinois Public Pension Fund Association

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