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AERA/AEA *monitors legislation that affects education retirees.*

We are on the front line protecting benefits for education retirees.

AERA/AEA *works with the Teachers' Retirement System to protect and strengthen your retirement funds for the benefit of PRESENT and FUTURE retirees.*

We are the ***Voice*** *for* ***All Alabama education retirees!***

AERA/AEA *has a wide array of benefits for its members.*

Efforts to Tax Your Pension Stopped .... For Now

Dear Education Retiree:

Bad News: Legislators are threatening to remove the state income tax exemption on your defined benefit – your pension. This new battle that is brewing will negatively impact your financial well-being. A bill was filed in the Senate to create the Simplified Flat Tax Act, which would tax all pensions (TRS, ERS, Military, Federal and other defined benefit plans) at a rate of 3.7% and remove all tax deductions except those to churches and other nonprofit organizations. **Remember currently you do not pay state income tax on your pension.** During the regular legislative session, this bill did not make it out of committee after AERA testified against it. During the second special session in September, the bill was passed out of committee but did not come up for a vote. **This bill will come back in 2016. Can you afford to pay 3.7 percent income tax on your pension to the State of Alabama while those taxpayers who have paid 5 percent will now only pay 3.7 percent?** We must be ready to take action.

However, by joining the largest retiree association in Alabama, you can help protect your benefits and keep the state from taxing a pension that has not been taxed since World War II. As a member, you will help AERA/AEA work to stop threats made by those in power at the State House. If you are not receiving updates from AERA/AEA, you may not know what is happening to "your money and your benefits" in Montgomery. It's time to stand up and protect the benefits you worked so hard to earn!

To become an AERA/AEA member, return the enclosed form with your signed benefit deduction authorization or mail your membership dues check today! AERA and AEA are always on the front line standing tall to protect your benefits and EFT monies. Can you afford to pay state income taxes on your pension? Help us help you --- join today. We must stand strong when the 2016 legislative session begins next year!

Sincerely,

Janice J. Charlesworth

Janice J. Charlesworth
AERA Executive Director

P.S. **For only 37 cents a day, you are buying the best retirement security available.** ***Membership doesn't cost, it pays!***