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## Lawmakers Entertain Education Cuts as Session Begins to Wrap Up Time to Maximize Pressure

As the legislative session proceeds with the last half, lawmakers have to make decisions on how to balance the state budget. While the NSEA Lobby Team is in Carson City working with the legislators to keep this from happening, politics is playing a big role in the decision-making process. Talks of cuts to the education budget are becoming more frequent and we need the membership to speak up even louder.

We appreciate all the messages you have been sending throughout the session and urge you to contact your legislators again and again. We also ask you to urge your colleagues, friends, and family members to do the same. Go to [www.nsea-nv.org](http://www.nsea-nv.org) and click on the "Say NO to Education Cuts" graphic or [click here](#). There you will find a set of talking points to help you craft your message. You will also be able to send the message directly without having to look up your legislators contact information. Just input your address and hit the send button!

Rest assured your Lobby Team is having some serious discussion with lawmakers about the consequences of severe budget cuts. Cuts are not acceptable and we need your support to back up the discussions. Contact your legislators today!

## Two Pieces of Legislation Progress in the Legislative Process

This week, NSEA was successful in passing through Committee two vital pieces of legislation. The first, **AB 319** was called the Educator Bill of Rights. The Educator Bill of Rights was designed to provide greater protection to all educators in regard to their locally bargained contracts. In an effort to provide more transparency to the due process of all educators, AB 319 was agreed to and passed by the Assembly Education Committee. Its next stop will be the Assembly Floor for approval.

The second critical piece of legislation that was past was bill **AB 409** which will completely change the Employee Management Relations Board (EMRB). In a very broad bill, the NSEA set out to provide a more just system that will no longer incur such exorbitant cost by the state. Moreover, AB 409 will allow the employer/employee disagreements to be heard and decided upon at a quicker pace allowing for the most effective use of the EMRB.

AB 409 was passed out of the Assembly Government Affairs Committee where it was also referred to Assembly Ways and Means. No notice has been given when this Committee plans to hear the bill.

## Important Message for Retired Members! *Tax Withholding Adjustment Necessary*

NEA is currently working to remedy an unintended consequence of the American Recovery and Reinvestment Act that could cause financial hardship for retirees. While NEA pushes for a legislative fix, retirees are urged

to contact their financial advisors immediately and adjust their withholding.

The following is background on why there is an issue. The Internal Revenue Service has issued new tax withholding tables to reflect the Making Work Pay Credit on earned income that was contained in the American Recovery and Reinvestment Act. While pension benefits are not considered earned income and NOT subject to the Making Work Pay Credit, IRS, nevertheless instructed the payers of retirement benefits to use the new federal withholding tables. Unfortunately, this likely will result in under-withholding on pension income, and retirees may find themselves unexpectedly owing taxes at the end of the year.

If the IRS does not modify its position on this matter, benefit payers, acting on the new IRS directive, will begin withholding using tax tables that are known to be inappropriate for most retirees. While pension payers have indicated they will do everything possible to notify retirees of the reason for the change in the net amount of their benefit payment and the potential for under-withholding, the only way benefit recipients can change the withholding amounts is to instruct their pension systems to increase the amount of their withholding. Furthermore, at the close of 2010, they will have to readjust their withholding to reflect the fact that the tables for 2011 will no longer incorporate the Making Work Pay Credit.

The NEA believes the IRS should allow the use of the old tables for income that is not eligible for the Making Work Pay Credit. NEA is actively involved with AFSCME, the National Council on Teacher Retirement, National Association of State Retirement Administrators, and AARP urging the IRS to use the old federal withholding tables. In addition, NEA and its coalition allies are actively lobbying Congress and the Administration to take action averting potential problems with the "Making Work Pay Credit" and retiree pension recipients.

If you are a retiree, PLEASE CONTACT YOUR FINANCIAL ADVISORS IMMEDIATELY TO ADJUST YOUR WITHHOLDING. SUCH ADJUSTMENT IS CRITICAL TO ENSURE YOU WILL NOT OWE UNEXPECTED TAXES AT THE END OF THE YEAR.

We will keep you informed regarding NEA's efforts to change the IRS policy. Updates will be posted on the NSEA website as they become available. Log on to [www.nsea-nv.org](http://www.nsea-nv.org) or call your retired association leadership.

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