



SAN BERNARDINO CONNECT

Retired Public Employees' Association

Chapter 33 – Area VI

February – March 2018

Volume 8 – Issue 1



YOU'RE INVITED TO OUR MARCH RPEA LUNCHEON!

When? Tuesday, March 13, 2018 11:30 a.m. – 2:00 p.m.

Where? Fellowship Hall of the First Presbyterian Church
1900 North "D" St. San Bernardino

Program: "Your Property and the Assessor—Taking the Mystery Out of Prop. 13, Prop. 8 and Other Tax Saving Possibilities." Our guest speaker is **Bob Dutton, County Assessor-Recorder**, who brings extensive experience to his position: three years on the Rancho Cucamonga City Council, two years in the California State Assembly, eight years in the California Senate, and over forty years in the fields of real estate investment/management. Don't miss this excellent opportunity to get up-to-date information and to have your questions answered.

Reservations are required by Tuesday, March 6. Phone June at 909-583-1082, Gloria at 909-810-8735 or Linda at 951-784-1060. Or email lindaandwes@aol.com. Be sure to give us the name (with correct spelling) and phone number for each person who will attend. **Our order must be accurate, so RSVP before the March 6 deadline! Don't delay!**

We're excited to welcome our new caterer—Thomas Catering!

Shared luncheon cost: Member, member's spouse, or a caregiver (if needed): \$4 per person
Non—member: First time free; second time \$4; thereafter \$8

(By the third time you attend, we hope you'll have joined RPEA!)

You are welcome to bring a guest—someone who might be interested in joining RPEA. Membership information will be available at the Welcome Table. As always, there will be door prizes and friendly conversation!

We are California public employees working together to maintain and improve the quality of our members' lives by protecting and improving our retirement and medical benefits. RPEA members include retirees, beneficiaries, currently-employed public employees, friends, family members, and others who share our goals. Everyone is welcome!



CALPERS MEMBERS' OPINIONS INCLUDED IN NATIONAL SURVEY

In November 2017, Spectrem Group conducted an online survey which generated a report, part of which includes statistical data highlighting CalPERS members' opinions. 96% indicated the pension fund's ability to generate returns at or above CalPERS' set target level is important or very important; 42% indicated returns should be at or above market value. 42% of CalPERS members surveyed believe their funds have "performed in line with the market for the past few years, which Spectrem contends is not always the case." CalPERS members seem unaware of how their pension plan's portfolio is invested, with only 14% realizing that more than 10% of the fund is invested in high-risk alternative investments. According to Spectrem, all public pensions are underfunded to some degree, yet nationally only 31% of those surveyed think that is true of their fund. Of all those surveyed, only 14% want fund managers to make advancing social and political causes their priority—instead it should be maximizing returns and getting pensions fully funded.

We now have a Magazine and Book Exchange at luncheons, so bring along any you have to donate. It's a great way to enjoy FREE reading!

WE'RE FEELING LUCKY!

New Chapter Members to Begin 2018!

- Jennifer Barb Rialto
- Vonceal (Jan) Cash San Bernardino
- Larry Gathright Rialto
- Latricia Jarnagin Redlands
- Margo Williams Rialto

TAKE A PEEK AT OUR CHAPTER 33 2017 STATS—LOOKING GOOD!



TOTAL MEMBERSHIP:

We began 2017 with 369 chapter 33 members. As of January 2018, we now have **395 chapter members**.

LUNCHEON ATTENDANCE:

We had **85** attendees for the March luncheon; **75** for the June luncheon; **81** for the September luncheon; and **87** for the December holiday luncheon. **23** had perfect attendance! An average of **15** prospective members attend each luncheon.



In Memory...

- Robert Drage San Bernardino
- George Harris Coarsegold

CHAPTER 33 BOARD MEMBERS' CONTACT INFORMATION

Susan Nelson, President	909-794-2017
Patsy Hollis, Secretary	909-862-7615
Conrad Guzkowski, Treasurer	951-315-1400
June Copple, Membership	909-583-1082
Elaine Graves, Hospitality	909-672-7292
Alan Dyer, Legislation	909-233-9486
Barbara Emilio, Communications	909-476-9951
Gloria Ledesma, Sunshine	909-810-8735
Joe Gonzales, Magazine Exchange	909-889-9841
Linda Stonebreaker, Editor	951-784-1060
Marjorie Callaghan, Past President	909-754-1155

AREA VI DIRECTOR

Wes Stonebreaker 951-784-1060 lindaandwes@aol.com

WHAT'S HAPPENING WITH CALIFORNIA PUBLIC PENSIONS?

An overview by Linda Stonebreaker, Newsletter Editor

In reading through a slew of newspaper articles, clearly pension systems are under pressure due to the economy, weak investment earnings, retirees living longer, and previously-negotiated “generous” benefits. Retired public employees already receiving CalPERS pensions are not the ones who should be worrying at this point; although critics would (if they could) probably like to reduce pension payments they say are too generous—and health benefits not considered vested are still vulnerable.

Currently-employed public workers seem to have some security in that pension benefits linked to work already performed have been deemed safe from cuts. Public employees hired after January 2013 already have experienced reduced pensions/benefits compared to those earned by workers hired prior to that date. Going forward, it's almost a given that benefits can/will be trimmed back for new hires only. However, because these individuals won't retire for many years, their pension changes will not affect the state's economic situation any time soon.

Governor Brown's Public Employees' Pension Reform Act of 2013 [PEPRA] did trim back benefits for new hires. In addition, it got rid of a number of pension spiking activities, including one allowing the purchase of “airtime” [up to five additional years credited toward a pension], and limited the types of income used to calculate a retirement pension.

Pension reform's focus now is on efforts to amend the “California Rule” in order to give agencies the right to reduce future benefits of those currently employed (hired prior to PEPRA). The California Rule is not a law, but a series of court decisions establishing that the worker enters a contract with the employer on the first day of work which entitles them to retirement benefits that can never be decreased unless replaced with similar benefits.

There are three linked California Supreme Court appeal cases in progress, all of which challenge the California Rule as related to pension spiking: using long-term unearned vacation time or on-call pay to enhance an employee's final salary and buying pension credits for years not worked. The Marin County case is the one in which the judge opined the employees were only entitled to a “reasonable pension” [the definition of which is arguable]. In November/December 2017, Governor Brown intervened in two of the cases arguing that public worker pension benefits in California can be reduced during employment. A decision on these cases is not expected until the end of the summer 2018.

The latest court ruling, in January 2018, comes from Division Four of the Appeals Court in San Francisco in which the three judges unanimously agreed. They did not disagree with the Marin County decision rejecting the absolute need for comparable new advantages when pension rights are eliminated or reduced. But they did state that “the Marin court improperly relied on its general sense of what a reasonable pension might be, rather than acknowledging that the Supreme Court has expressly defined a reasonable pension as one which is subject only to reasonable modification...the corresponding burden to justify any changes with respect to those hired before PEPRA will be substantive.” A “total pension system collapse” might meet the “substantive” standard for providing no new benefit to offset a pension cut...only “justified by compelling evidence establishing that the required changes ‘bear a material relation to the theory...of a pension system’ and its successful operation.” This ruling would seem to help protect the California Rule by raising the standard used to determine the legality of cuts.

As always, we can't be complacent. Our RPEA advocacy is more important than ever!

**Retired Public Employees'
Association, Chapter 33
P.O. Box 22091
San Bernardino, CA 92406**



**NON-PROFIT ORG.
U.S. POSTAGE
PAID
San Bernardino, CA
PERMIT NO. 365**

**Return Service Requested
Dated Material**



MARGARET BROWN WINS CALPERS BOARD SEAT.

Supported by the major retiree groups, including RPEA and California State Retirees, Margaret Brown was successful in unseating the incumbent, Michael Bilbray. We expect that she will indeed be a “watchdog” at CalPERS, as her campaign signs proclaimed, and that she will be more active in exploring and debating issues that affect retired and active CalPERS members. In January, she joined David Miller who replaced J.J. Jelincic on the Board.

Article sources: Borenstein, Daniel. *“Brown Suffers Major Setback on Pension Reform.”* Bay Area News Group. 11 January 2018; Mendel, Ed. *“High hurdle for pension cuts in new court ruling.”* Calpensions.com. 9 January 2018; Varghese, Ronnie. *“California’s Brown Raises Prospect of Pension Cuts in Downturn.”* 10 January 2018; Kaplan Herald. *“Circumstances might open door to pension cuts for California.”* Financial and Breaking News. 10 January 2018; Renda, Matthew. *“California Pension Battles Play Out in Court.”* 9 January 2018; Diamond, Randy. *“California governor adds voice to benefit cases.”* Pensions and Investments. 8 January 2018; Greenhut, Steven. *“In New Year, court could usher in dramatic reform on California’s pension front.”* California Policy Center. 4 January 2018; Barney, Lee. *Public Pension Fund Members Largely Unaware of Underfunding.* Spectrem online survey. 4 January 2018.

CHAPTER 33 LUNCHEON MEETINGS

SAVE THESE 2018 DATES!

Tuesday, March 13

Tuesday, June 12

Tuesday, September 11

Tuesday, December 11

Membership applications are available at luncheons, online at rpea.com, or by phoning June Copple (Membership Chair) at 909-583-1082 to have an application mailed to you. Want to know more about RPEA? Request an information packet by phoning Wes at 951-784-1060 or emailing lindaandwes@aol.com.