



# RPEA NEWS AND VIEWS

Retired Public Employees' Association of California  
Chapter 048 Hemet – San Jacinto, Area VI

February – March 2018  
Volume 6, Issue 1



We are California public employees who are 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 and their beneficiaries, public employees who are currently employed, and others who share our goals. We welcome everyone!

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**Know someone else who might be interested in RPEA? Please share this invitation.**



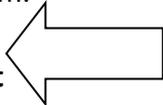
*We're looking forward to seeing you!  
You're invited!*

## RPEA March Luncheon

**When?** Wednesday, March 14, 2018 11:30 a.m. – 2:00 p.m.

**Where?** **NOTE NEW LOCATION!**

**EL PATRON RESTAURANT, 2524 E. Florida Ave., Hemet**  
**(where The Anchor Restaurant used to be)**



**DON'T FORGET TO RSVP BY FRIDAY, MARCH 9.**

Phone Carol at 951-306-0336, Sharon at 951-654-8965 or Linda at 951-784-1060. Or email Linda at lindaandwes@aol.com. Give the name (with correct spelling) and phone number for each attendee.

**Lunch Price:** RPEA Member: \$7 Spouse of member: \$7  
Non-member: First time - FREE; after the first time - \$12  
(By the 3<sup>rd</sup> time, we hope you'll have joined RPEA.)

**What's planned?** A delicious lunch, friendly conversation, an interesting program, legislation updates, and door prizes.

**Guest Speaker: Deputy District Attorney Janet Hasegawa**

Find out about the Riverside County Elder Abuse Forensic Center and how to protect yourself and others from abuse, including real estate fraud, life insurance and annuities fraud, physical abuse, neglect and financial abuse. Janet is a teacher to law enforcement and other agencies regarding abuse investigations and prosecution. She's an expert on this subject!

**Save 2018 Wednesday Luncheon Dates:**

**March 14      June 13      September 12      December 12**



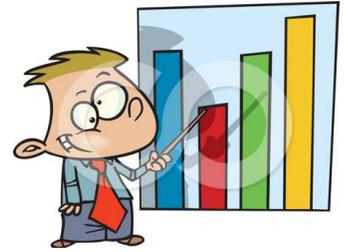


*We're welcoming  
Dalisay Anderson  
and Anne Peak,  
our first new  
chapter 48 members  
of 2018!*

**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.

**TAKE A PEEK AT  
THE CHAPTER 48  
STATS FOR 2017:  
LOOKING GOOD!**



**ATTENDANCE AT LUNCHEONS IN 2017:**

February	39	October	45
April	44	December	48
June	40		

**88** individuals attended one or more luncheons, with an average of **10** prospective members each time. **10** of our members had perfect attendance!

**TOTAL CHAPTER MEMBERSHIP:**

We began 2017 with 282 members. Our membership as of January 1, 2018 is now **308**.

**Some luck lies in not getting what you thought you wanted but getting what you have, which once you have got it you may be smart enough to see is what you would have wanted had you known.**  
- Garrison Keillor



*In Remembrance  
Katherine Jankowski  
San Jacinto  
Patricia Welch  
Temecula*

**CHAPTER 048 OFFICERS AND COMMITTEE CHAIRPERSONS**

Sonny Gillespie, President	951-492-0787	Robert McMahan, Membership	951-256-6757
Emily Wong, V.P. - Legislation	951-244-1787	Julia Lary, Communications	951-926-2104
Linda Stonebreaker, Sec. - Treas.	951-784-1060	Carole Gillespie, Sunshine	951-492-0787
Carol Bell, Attendance Secretary	951-306-0336	Sharon Kreul, Hospitality	951-657-9588
Sharon Maltzberger, Luncheons	951-654-8965	Lucy Murray, Recruitment	951-282-5820
Linda Stonebreaker, Newsletter Editor		951-784-1060	
Dennis Kaczor, Immediate Past President		951-454-7241	
Wes Stonebreaker, Area Director VI		951-784-1060 or 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 048  
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San Jacinto, CA 92583**



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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.

**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 replaces J.J. Jelincic on the Board.



**NOT YET AN RPEA MEMBER? JOIN TODAY!**  
Request an information packet and application by phoning toll free 1-800-443-7732. For details about local chapters, phone Wes at (951) 784-1060. Even if you can’t attend meetings, your dues will support the important work RPEA does on your behalf.