



RPEA NEWS AND VIEWS

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

September – October 2017
Volume 5, Issue 3



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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Upcoming Luncheons

Wed., Oct. 11
Wed., Dec. 13

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

CALPERS INCREASES RETURN ON INVESTMENTS

In a July 14, 2017 press release, CalPERS reported a preliminary 11.2% net return on investments for the 12-month period that ended June 30, 2017. Assets at the end of the fiscal year stood at more than \$323 billion. The strongest returns came from the Public Equity Program, which generated a 19.7% return.

Based on these preliminary fiscal year returns, the funded status of the overall CalPERS fund is an estimated 68%, an increase of 3 percentage points from the previous fiscal year. The estimate is based on a 7% discount rate. This brings Total Fund performance to 8.8% for the 5-year time period; 4.4% for the 10-year time period; and 6.6% for the 20-year time period.

Ted Eliopoulos, chief investment officer, emphasizes that the focus is always on the long-term: "We invest for decades not years."

YOU'RE INVITED TO ATTEND OUR OCTOBER LUNCHEON!

WHEN? Wednesday, October 11, 2017 11:30 a.m. – 2:00 p.m.

WHERE? Casa Jimenez, 1032 W. Florida, Hemet **PLEASE NOTE THIS ADDRESS**

DON'T FORGET TO RSVP BY FRIDAY, OCTOBER 6

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

LUNCH PRICES: RPEA Member: \$7 Spouse of member: \$7
Non-member: First time - FREE; after the first time - \$12
(By the 3rd time, we hope you'll have joined RPEA.)

AGENDA: A delicious lunch, friendly conversation, a brief meeting, and our Silent Auction!

PROGRAM: *Silent Auction*

Due to the generous support of chapter members, we have some wonderful items that will be auctioned off at our fundraiser! Just bring along some extra cash, write in your bids throughout the luncheon, and join the fun!

(It's not too late to donate an item either.)





*Happiness!
17 New
Members!*

**WARREN BACK
PATRICIA BERG
ALICE BINNIE
RITA BRONSON
SHARON CARTWRIGHT
PATRICIA DAKE
DIANNA GREENING
PHILLIP GREENING
ROBERT HARRIS
VITA LOFTUS
TARYN ORELLANA
LAURA PREISENDANZ
ROLFE PREISENDANZ
TRINA RHEA
DAVID SCROGGINS
JOYCE STATLER
CARL WINGET**

**HEMET
HEMET
HEMET
MENIFEE
SUN CITY
SUN CITY
SUN CITY
SUN CITY
HEMET
SUN CITY
TEMECULA
TEMECULA
TEMECULA
MURRIETA
MURRIETA
HEMET
HEMET**

**CALIFORNIA APPEALS COURT DECISION:
SUPPORT FOR PENSION “ANTI-SPIKING”**

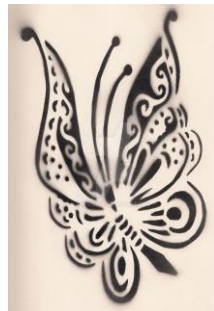
On June 5, 2017, the Court published *DiCarlo v. County of Monterey*, holding that employees’ stipends that depended on BOTH longevity and performance were properly excluded from the calculation of public pension benefits. This is because a “combination bonus” was not expressly authorized by the California Code of Regulations.

Monterey County Deputy Sheriffs had received a stipend based on having served the county for 20 years and having had a satisfactory or outstanding evaluation. The Appeals Court agreed the county was correct in not reporting the compensation to CalPERS. Although longevity and performance can be reported separately [both are authorized], it is not authorized when based in combination.

This decision combats “spiking” by preventing local agency employers from adding any items to those currently authorized to be reported as compensation.



*If you want to
know where your
heart is, look
where your mind
goes when it
wanders.*



In loving memory...
 Maria Alonzo Lake Elsinore
 Dorothy Diferderico Hemet
 Amos Hattaway Hemet
 William Jacobs Hemet
 Elizabeth Powell Seattle
 Frances Thompson Hemet
 Dolores Wilson Hemet

CHAPTER 048 OFFICERS AND COMMITTEE CHAIRPERSONS

Sonny Gillespie, President	951-492-0787	Robert McMahan, Membership	951-256-6757
Joan Hemhauser, Vice President	951-659-2193	Julia Lary, Communications	951-926-2104
Linda Stonebreaker, Treasurer	951-784-1060	Carole Gillespie, Sunshine	951-492-0787
Carol Bell, Attendance Secretary	951-306-0336	Emily Wong, Legislation	951-244-1787
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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





RPEA ENDORSES MICHAEL FLAHERMAN FOR CALPERS BOARD SEAT A

All active and retired CalPERS members are eligible to vote for the two "Member-at-Large" seats on the CalPERS Board. Voting will take place between September 1 and October 2 by mail, internet or telephone. You should have already received your CalPERS voting packet. A candidates' forum can be accessed online at calpers.ca.gov/boardelections.

The RPEA Board of Directors has endorsed Michael Flaherman for Seat A. He has valuable experience as a CalPERS Board Member having been elected in 1994 when he was employed at the Bay Area Rapid Transit District (BART). He served 8 years, the last three as Chairman of the CalPERS Investment Committee. He calls those the "glory days of CalPERS."

In 2003, Mr. Flaherman left his position at BART and the CalPERS Board to enter the private investment business with New Mountain Capital. In 2014, he accepted a fellowship from Harvard University to study financial corruption, which had precipitated the financial crisis in 2008. In 2015, he moved to San Francisco to continue work on financial corruption while teaching at UC Berkeley.

The RPEA Board of Directors made no endorsement in regard to CalPERS Board Seat B.

CALPERS LONG-TERM CARE CLASS ACTION LAWSUIT PARTIAL SETTLEMENT



In April 2017, Towers Watson, the actuarial firm responsible for setting CalPERS's LTC premiums in 1995, filed a motion seeking the dismissal of plaintiffs' claims on the grounds that they were barred by the statute of limitations and that Towers Watson did not owe the plaintiffs a duty. However, before the hearing could take place, a partial settlement was reached in which Towers Watson will be paying \$9.75 million to settle the claims against it.

This will not impact the claims asserted against CalPERS who is the main defendant in this case. CalPERS has provided a contact list for nearly 122,500 class members to whom notices will be mailed. These individuals purchased CalPERS LTC1 and LTC2 policies issued from 1995-2004 with lifetime coverage and built-in inflation protection; lifetime policies without inflation protection; as well as 3-year and 6-year policies with inflation protection from CalPERS at any time. In 2013, CalPERS increased premiums by as much as 85% unless policy holders elected to reduce benefits, which is what led to this lawsuit.

On June 19, the Court found that CalPERS had immunity in regard to breach of fiduciary duty, but CalPERS' other arguments were rejected. [Plaintiffs have asserted four additional causes of action.] CalPERS has indicated it will attempt to decertify the class; but if the motion is denied, the case will likely proceed to trial next spring on a class-wide basis.

For details and continuing updates, go online to "CalPERS long-term care lawsuit 2017" and to the web sites: calpersltcclassaction.com and calpersclassactionlawsuit.com/litigation-update.html



Between 2012 and early 2017, eight U.S. deaths related to laundry pods or packets were reported to the Consumer Product Safety Commission. These colorful, detergent-filled products pose risks to children who mistake them for candy. But six of the eight deaths were adults with dementia. Consumer Reports now advises people not to keep pods in the homes of those who are cognitively impaired or those who have children under six years of age.



Retired Public Employees'
Association, Chapter 048
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San Jacinto, CA 92583



NON-PROFIT ORG.
U. S. POSTAGE
PAID
Hemet, CA
PERMIT 451

Return Service Requested
Dated Material



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When the winds of change
blow, some people
build walls and
others build windmills.
-Chinese proverb

I never
make the same mistake twice.
I make it like five or six times,
you know,
just to be sure.

You know you are getting older
when:
It feels like the morning after,
but there was
no night
before.

**LIFE ALWAYS OFFERS YOU A
SECOND CHANCE.
IT'S CALLED TOMORROW!**

NEW MEDICARE CARDS
The Centers for Medicare and Medicaid Services will begin sending out new cards in April 2018, but it will take until Dec. 2019 to complete the mailings. A randomly-generated 11-character number will replace the SSN, and you will be able to start using the new card as soon as you receive it.

**My life can be summed
up in one sentence:
“Well, that didn’t go as
planned.”**

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.