



OH 63 NEWS!

*Retired Public Employees' Association of California
Chapter 063 – Indio Southern California Area VI*

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/very important; 97% indicated returns should be at or above market level. 42% of CalPERS members surveyed are of the opinion that 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.



YOU'RE INVITED!

RPEA FEBRUARY LUNCHEON MEETING

When? Noon to 2:00 p.m.

Friday, February 16, 2018

Where? Heritage Palms Clubhouse

44291 Heritage Palms Drive South, Indio

(Just tell the gate attendant you're attending the luncheon.)

Reservations are required by Friday, February 9. When you RSVP, please give the name (with correct spelling) and phone number for each attendee. Phone Carl Thibeault at (760) 459-3174 or email thibeaultfc@earthlink.net.

What's on the agenda? A delicious lunch (compliments of RPEA), friendly conversation, an interesting program, updates on legislation, and drawings for door prizes. It's a chance to stay informed, meet new people and enjoy a pleasant time.

PROGRAM: "THE SALTON SEA: PAST, PRESENT AND FUTURE"

Patsy and Bill Meister from the Sea and Desert Interpretive Association will bring us up to date on what is happening in regard to the Salton Sea. What are the issues? What are the latest proposals? Why should people care about what happens to the area? After a short video and a presentation of information, there will be time for them to answer our questions. Let's stay informed!

**KNOW SOMEONE ELSE WHO MIGHT BE INTERESTED IN JOINING RPEA?
PLEASE SHARE THIS INVITATION.**



11 NEW CHAPTER 063 MEMBERS!

- WENDY ALLAIRE INDIO
- JULIE BAUMER CATHEDRAL CITY
- JACQUELINE BUUS PALM DESERT
- MARION CAIN INDIO
- DARRELL COZEN PALM DESERT
- SUSAN FRIEDLUND PALM DESERT
- MARLENE HATCH LA QUINTA
- AUGUSTINE MACIAS INDIO
- MICHAEL MATHWIG PALM DESERT
- DAVID REAGLE SALTON CITY
- HERMELINDA RUCOBO CALEXICO

All my life I thought
air was free...
until I bought a
bag of chips.

**GOOD NEWS!
RPEA-ENDORSED
CANDIDATE
MARGARET BROWN
WINS OPEN SEAT ON
CALPERS BOARD**



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 joins David Miller who replaces J.J. Jelincic.

CHAPTER 063 CONTACT INFORMATION

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CHAPTER 063 STATISTICS FOR 2017

TOTAL CHAPTER MEMBERSHIP INCREASES

We began 2017 with a total of 322 members. As of January 2018, we now have **354** Chapter 063 members.

LUNCHEON ATTENDANCE INCREASES

26 attendees in February, 20 attendees in May, 24 attendees in September, and **44** attendees in November. We average 4 new prospective members at every luncheon. 64 individuals attended luncheons one or more times in 2017, and 6 had perfect attendance!



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, beneficiaries, currently-employed public employees, friends, family members, and others who share our goals. We welcome everyone!

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 recession, 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. Unfortunately, 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 won't 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
RPEA Chapter 063 – Indio
301 West Santa Catalina Rd.
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REMINDERS

Please put RPEA luncheons on your 2018 calendar. Dates will be confirmed prior to meetings:

- February 16
- May 18
- September 21
- November 16

Membership applications are available at luncheons or online at rpea.com. To have an information packet mailed to you, phone Wes at 951-784-1060; or email him at lindaandwes@aol.com.

You may be someone who cannot attend luncheon meetings; but by joining RPEA, you will stay informed and support our efforts on your behalf. The more members we have, the greater our influence.

ADMITTING YOU WERE WRONG DOESN'T MEAN YOU DON'T STAND BY YOUR CONVICTIONS. CHANGING YOUR MIND DOESN'T MAKE YOU HYPOCRITICAL. IT MEANS THAT YOU'RE WILLING TO LEARN AND GROW.



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

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.