



RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA



*In Memory of Immediate Past President Ann L. McWherter
8.14.42 – 10.24.17*

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President's Report



George Linn

RPEA PRESIDENT



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RPEA NEWSLETTER

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Attention: Changes of Address

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A Message From President George Linn

It is with sadness that I tell you that Ann McWherter has passed away. Ann was always part of the RPEA team, and I will miss her advice and counsel. While her health in recent years often kept her from meetings, it did not deter her from providing good advice and suggestions. For the past year she has participated at the Board level as the Immediate Past President and was never shy about providing guidance. Read more about Ann and her many of years of service to RPEA on page 6 of this issue.

The month of October was a terrible month for California due to the wildfires that raged throughout the state. While watching the devastation created by the wildfires, I was concerned about our seniors that may have been injured or displaced. At this point the office has not heard from any of our members. Our Area Director for the affected northern California area, Paul Tamboury, has been in contact with me and the Headquarters Office.

October 31 is the close of our fiscal year. During this fiscal year, we have continued to monitor expenses resulting in a preliminary report that the organization has operated profitably again. Our certified public accountancy firm is currently reviewing our accounts and will provide an audit report in the near future. Furthermore, during the year we have been able to transfer funds from our operating account to our investment account which is currently earning over 5%. Unfortunately, our Bylaws preclude the organization from investing in the equity market which would have provided a much larger rate of return. Perhaps, this investment restriction should be review and revised at our upcoming General Assembly.

During the first week of November I was able to attend a seminar entitled, "Roadmap to Growth." This seminar was sponsored by AMBIA, the organization that brokers the wide array of benefit and discount group insurance plans we offer to our members. One of the sessions

targeted the importance of teamwork and goal setting. You will remember that I have previously set the goal for our chapters to recruit more new members than AMBIA does. Last year AMBIA again won the battle, but that does not mean that the teamwork and synergy we have within RPEA between our Area Directors and our chapter leaders cannot win the challenge in the coming year. I repeat that challenge.

Other sessions at the seminar included a discussion by a body language expert. Body language is an important part of communication. Understanding the impression you are giving when you are talking to a prospective member, based on the prospective member's body language, gives you the ability to better convince the individual to become an RPEA member. Another interesting and beneficial meeting was a breakout session where organizations of similar size had an opportunity to exchange their challenges and successes.

As I move into the last year of my current term as your President, there are a couple of items of unfinished business. One is the change of the Cost of Living Index to a more representative index reflecting California's cost of living. Another is that our initial request for assistance from CalPERS was less than successful. Recently, with the help of our Director of Legislation, I have sent a new request to the Chair of the Pension and Health Benefits Committee requesting that she work with CalPERS staff on this issue. Any change requires a change in the law and will be a difficult sell.

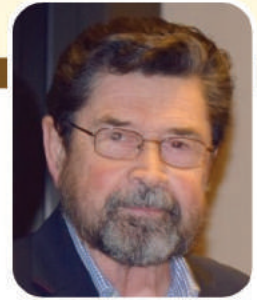
The other project on my calendar is to develop a proposal for General Assembly to establish a non-profit corporation to support RPEA. This would allow RPEA to expand our efforts to seek grants, etc., which would relieve the pressure on member dues.

Both of these are in development status and will require a huge effort.

Allow me to take this time to wish all of you a Merry Christmas and a happy and prosperous New Year!

Vice President's Op/Ed

By Al Darby, Vice President



So far, we are aware of no attempts by public pension haters to place anti-public pension initiatives on the 2018 California election ballot. It could still happen, but the window is closing fast for this approach to cutting our pensions. Attempts by a few legislators to reduce public pensions are regularly defeated. We still await the California Supreme Court Decision on the Marin County case which could be problematic, especially to current active employees. With pension battles at bay, we can turn our attention to other matters that should be of interest to our members such as pension fund stability and improved benefits—COLA topping the list.

We haven't talked about our member recruiting partner, Association Member Benefits and Insurance Agency (AMBIA), for a while. There are a number of items to report regarding AMBIA that have developed over that past several months related to their recruiting efforts for RPEA. But first, I want to mention that RPEA has now received over 4,000 new members in the three years that AMBIA has been our recruiting partner. RPEA's membership is growing again at a healthy rate. We continue to receive dozens of new member applications each week. California RPEA is one of AMBIA's largest associations and will become even larger with the recent commitment of more direct-mail solicitations to different public employee groups. So far, in 2017, about 12% of AMBIA's new members nationwide are from California.

AMBIA plans to put more sales people on the ground in California next year. This will enhance RPEA's ability to achieve more group and individual face-to-face meetings by insurance experts who can secure even more members for us. RPEA's own recruiting efforts at the chapter level are being given a makeover that should better utilize the updated prospect lists we now own. All of these initiatives should significantly enhance our membership over the coming new year. We are on the right track again!

President George Linn and I recently attended a conference with AMBIA in which we were introduced to

volumes of information about association recruiting. We also listened to several speakers and attended workshops related to the task of analyzing membership data. The material presented was very comprehensive and will be invaluable to our Director of Membership and the Membership Committee in focusing local recruitment campaigns on the right topics, in the most productive formats and by the best means of delivery.

One important point in the AMBIA report on association status across the nation is the trend toward growth again. The report indicates that social media is becoming a much bigger factor in recruiting and communicating within associations, but direct mail remains the most productive way to reach the largest

“There are a number of items to report regarding AMBIA that have developed over that past several months related to their recruiting efforts for RPEA. But first, I want to mention that RPEA has now received over 4,000 new members in the three years that AMBIA's has been our recruiting partner.”

number of potential members. Their street addresses change far less often than their e-mail addresses, and almost all of the snail mail the addressee receives gets a look before it is read or discarded. We all know that this scenario will change over time in favor of social media but for now, direct mail works best. Second

best, however, are the other methods of recruiting we employ—CalPERS retirement events, local employer/employee events, and chapter recruiting in all of its forms. RPEA gets about half of its new members from these sources.

Some very interesting observations were made during the workshop on association functioning related to member participation, communication with the entire membership, and the reasons people join. It was striking that almost all associations had the same experiences with low attendance at chapter meetings, weak internal communication and problems with retention of members. Advocacy is still the main reason for most members to continue to belong. The teacher groups get far more participation from their total membership, probably due to social media and their more public profile over many years of public school exposure.

Health Benefits Update



By Donna Snodgrass, Director of Health Benefits

The weather is finally becoming cooler, and winter is here. I keep plenty of hot chocolate handy for evenings sitting around the fire wrapped in a warm blanket. I am also very glad to have the cutest dog and three cats that keep me company. I have at least one of them curled on my lap or feet most of the time. Winter weather is made for this!

Pharmacy Benefits Manager, OptumRX

Since OptumRX became the new Pharmacy Benefits Manager in January, 2017 we have been inundated with issues that have adversely affected our members. Dealing with these problems became a full time job!

Beginning with the September 2017 CalPERS Board of Administration meeting, the two largest associations that represent retirees lined up and took on the problems we have been experiencing with the new OptumRx pharmacy benefits administrator. The issues had grown to the point that we felt our members' health had been jeopardized. We were successful in getting the attention this deserved. The President of the Board made it clear that he wanted the CEO of OptumRx to attend the November board meeting to answer questions and explain what steps will be taken to fix these issues. In the meantime, we continued to meet with CalPERS staff and Optum representatives to make sure we got the resolutions we needed.

CalPERS and OptumRX staff contacted our members directly and resolved individual issues one-on-one, and we met several times to discuss all the issues that are affecting the members overall, especially those on Medicare.

Here is a partial list of the action items that were agreed to be taken:

1. Compare the formulary drug lists from 2016 and 2018. The drugs that were removed from the newer list will be added back. This effort should be completed by the end of November.
2. Education on Medicare Part B diabetes treatment benefit and CMS (Medicare) rules.

3. When you contact the call center at OptumRX you will now be given the direct extension number for the person you originally spoke with. This will eliminate the practice of being connected to the "first available" operator every time you have to call for the same issue.
4. OptumRX will have specialists who will be able to answer questions specific to CalPERS members who are on Medicare as well.
5. Problems with the OptumRX website and electronic systems are being improved and fixed.
6. Medicare appeals timeline will be clarified and, if necessary, CalPERS will work with federal legislators to change the language.

If you are interested in seeing how our efforts began, log into the CalPERS website at www.calpers.ca.gov and view the videos from September and November Pension and Health Benefits Committee. They can be found by clicking on the link to Board meetings.

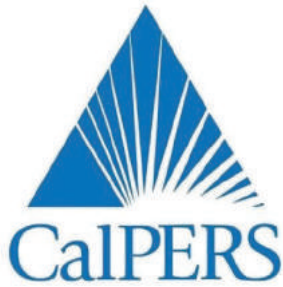
Health Benefits Committee meeting

At our last meeting we began to discuss and brainstorm ways to contain the cost of health benefits and insurance. For a closer look at our Committee's process, see the last issue of the RPEA Health Benefits Update. This issue of the update contains the full minutes from that last meeting. We will continue this process at our next meeting.

If you haven't already subscribed to this publication, send an e-mail message to healthbenefits@rpea.com and ask to be added to the mailing list.



CalPERS Commends RPEA Director of Membership, Rosemary Knox



CalPERS recently sent the message below to Director of Membership, Rosemary Knox, commending her on RPEA's contribution to and participation in their 2016-2017 CalPERS Benefits Education Events (CBEE's). Our participation in these events has been highlighted in several issues of this publication. Rosemary works hard to coordinate our participation by arranging representation by our Area Directors and volunteers in the affected areas. We are proud of the work Rosemary has done and convey our thanks to her and those who man our table at each event. We look forward to continuing our participation next year.

Rosemary,

On behalf of the California Public Employees Retirement System (CalPERS) and the Customer Service & Outreach Division (CSOD), we would like to express our warmest gratitude for your participation and support during our 2016-17 CalPERS Benefits Education Events (CBEEs).

Your contributions have had a direct effect on the overall success of these popular member events and our team wanted to say "thank you" for all that you have done during this past fiscal year.

Some of our accomplishments from this past fiscal year include delivering 336 classes to over 12,000 members, retirees and family members. For some members, this is their first time interacting with CalPERS and our business partners who provide valuable information at the exhibit booths.

Thank you for helping our members gain a better understanding of their benefits and the programs available. Rosemary, you have truly gone above and beyond this last year and it didn't go unnoticed. CalPERS and CSOD could not have accomplished this without your help.



Sincerely,

Michael Hedin | CalPERS
Member Education Unit Manager
Customer Service & Outreach Division



**Board
of Directors**

RPEA FEBRUARY 2018 BOARD OF DIRECTORS MEETING
Monday, February 5, 2018 & Tuesday, February 6, 2018

HILTON GARDEN INN (NATOMAS)
2540 Venture Oaks Way
Sacramento, CA 95833

A Tribute to Ann McWherter

By Harvey Robinson, Past President



A Tribute to RPEA Immediate Past President Ann McWherter

August 14, 1942 - October 24, 2017



RPEA has lost a powerful leader. I first met Ann when we were both employees at CalPERS prior to her transfer to the State Department of Public Administration (DPA) where she negotiated public employee benefits. Without Ann's guidance and mentorship, I would never have become involved in my local chapter, Chapter 004 - SACRAMENTO, sat on the RPEA Board or run for the CalPERS Board.

Without Ann's commitment and steadfastness RPEA would not be where it is today. We offer our appreciation for her service, and we offer support to her family, especially her beloved son, Kevin.

As we all know, Ann was always part of RPEA—President, active on committees and Immediate Past President—offering advice to the Board. I will miss her knowledge and expertise. She and her family will be in my prayers.

George Linn
RPEA President

Ann was a fierce ally and will surely be missed. I worked with Ann when she worked for the state. She was on the management side of the table, but we got along very well. I knew she was doing her job, and I often told her she was too smart! Made my job harder. We joked about that a lot. She was very active in RPEA, and her knowledge of health benefits and CalPERS was always helpful.

Aaron Read
Aaron Read & Associates

Sad news. A fierce advocate who always fought for the rights of retirees and others...

Patrick Moran, Legislative Advocate
Aaron Read & Associates

So sorry to hear about Ann, she will be missed!

Rosemary Knox
RPEA Director of Membership

She was a leader and a fighter for retirees. She will be missed by many. Presente Sister Ann McWherter.

C. T. Weber
RPEA Director of Public Relations

Ann was one of my favorite people in RPEA...always helpful, shared information and so knowledgeable. She had a great sense of humor. I will really miss her! I am so sad!

Carol Moore
RPEA Assistant Area Director IV

Sad news, indeed. Ann was a big help to me when I started with the Health Benefits Committee in November of 2006. She paid attention to some of the smallest details (such as driving me around the headquarters building so that I could navigate the streets when I started coming to Sacramento for meetings!) She was the epitome of commitment and dedication, and she was an inspiration. She was a role model in demonstrating what it was like to be a "true volunteer," and I consider it a privilege to have known and worked with her.

Al Raitt
RPEA Health Benefits Committee & Health Benefits Committee Chairperson for Chapter 077 - CHICO



Chapter 004 - SACRAMENTO member, Merle Cale, with Ann at the Chapter's 2014 Holiday Party



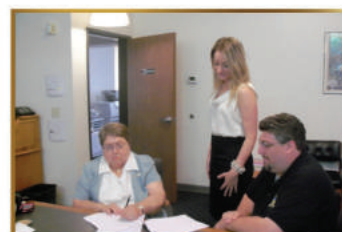
RPEA Past President Harvey Robinson and Ann at the February 2017 Board of Directors meeting



Ann with her long-time caregiver, Isela, at Chapter 004's 2016 Holiday Party



Area Director I, Paul Tamboury, and Ann sharing a laugh at the February 2017 Board of Directors meeting



Ann; Rachel Hooper (formerly of Marketplace Communications); former RPEA Office Manager Joe Umiker at the 2010 PIO contract signing

Special Message from President Linn

TED ROSE TO FILL POSITION OF IMMEDIATE PAST PRESIDENT



I have asked Past President Ted Rose to fill the position of Immediate Past President which became vacant when Ann McWherter passed away. Ted accepted the position. For those of you who are not aware of Ted's long history with RPEA, Ted was RPEA President from 2006 to 2008. He began his service with RPEA as Area Director III in 1999 and has served on most of our RPEA committees during his tenure.

I welcome Ted's experience and expertise to our Board.

George Linn
RPEA President

NEWLY-REDECORATED HEADQUARTERS OFFICE

Incorporating existing furniture and amenities, we recently made several updates to the Headquarters Office lobby and conference room. The feedback we've received so far has been very positive. We hope you agree. Stop by when you're in the area and say hello!



From each of us to all of you

Message from the Editor



By C.T. Weber, Director of Public Relations

I want to wish you a very Happy Holiday Season and a Happy and Healthy New Year. It looks like we will be starting the new year with a new member on the CalPERS Board. The RPEA endorsed candidate, Margaret Brown, won the runoff election with 77,969 votes, or 53%. Incumbent Michael Bilbrey received 69,123 votes or 47%. Congratulations to Margaret Brown and to you for a job well done.

Legislative Update



By Aaron Read and Pat Moran of Aaron Read & Associates

As previously reported, the Legislature adjourned the first half of the 2017-18 legislative session on September 15th. The Governor had until midnight on October 15th to take action on all the bills that came across his desk. In total, 2,980 bills were introduced, of which 1,189 were chaptered, which means they were signed by the Governor, 118 were vetoed, 1,144 are two-year bills and 439 are inactive or dead.

We also continue to keep an eye on any new initiatives that may be introduced. To date, no pension initiatives have been submitted; however, there is still time. We will keep you posted, and our fingers crossed.

We are currently working with the Board as well as the Legislative Committee on a legislative agenda for 2018. It will be another busy year and we look forward, once again, to representing RPEA.

Below is a complete status update on each of the bills RPEA is following:

Support

AB 275 (Wood, D-Healdsburg) – Current law imposes various notice and planning requirements upon a long-term health care facility before allowing a change in the status of the license or operation of the facility that results in the inability of the facility to care for its patients or residents, including a requirement for written notification to the affected patients or their guardians at least 30 days prior to the change. Under current law, these requirements also include taking reasonable steps to medically, socially, and physically assess each affected patient or resident prior to a transfer due to the change, and, when 10 or more residents are likely to be transferred due to a change, the preparation and submission of a proposed relocation plan to the department for approval. This bill would expand the notice and planning requirements that a long-term health care facility provides before any change in the status of the license or in the operation of the facility that results in its inability to care for its residents. **AB 275 was chaptered on September 1st. RPEA was in support.**

AB 315 (Wood) – This bill would require pharmacy benefit managers, as defined, to be registered with the Department of Managed Health Care, as prescribed. The bill would require the department to develop applications for the registration, and would specify certain information to be provided in those applications. The bill would authorize the department to charge a fee for registration, as specified. The bill would authorize the director of the

department to suspend the registration of a pharmacy benefit manager under specified circumstances. **AB 315 has been made a two-year bill. RPEA is in support.**

AB 444 (Ting, D-San Francisco) – The Medical Waste Management Act generally regulates the management and disposal of medical waste. This bill would authorize the California Environmental Protection Agency to develop a statewide program for the collection, transportation, and disposal of home-generated medical waste. **AB 444 has been made a two-year bill. RPEA is in support.**

ACR 98 (Kalra, D-San Jose) – This measure proclaims and acknowledges the month of June 2017 as Elder and Vulnerable Adult Abuse Awareness Month. **It was chaptered on July 17th. RPEA is in support.**

SB 17 (Hernandez, D-Azusa) – Current law requires health care service plans and health insurers to file specified rate information with DMHC or DOI, as applicable, for health care service plan contracts or health insurance policies in the individual or small group markets and for health care service plan contracts and health insurance policies in the large group market. This bill would require health care service plans or health insurers that file the above-described rate information to report to DMHC or DOI, on a date no later than the reporting of the rate information, specified cost information regarding covered prescription drugs, including generic drugs, brand name drugs, and specialty drugs, dispensed as provided. **SB 17 was chaptered on October 9th. RPEA is in support.**

SB 294 (Hernandez, D-Azusa) – This bill would authorize, until January 1, 2022, a licensee under the California Hospice Licensure Act of 1990 to provide any of the authorized interdisciplinary hospice services, including palliative care, to a patient who has a serious illness. The bill would require a licensee that elects to provide palliative care pursuant to this temporary authorization to report additional specified information to the department, including the number of patients receiving palliative care. By modifying the scope of a crime for a violation of the act, this bill would impose a state-mandated local program. **SB 294 was chaptered on October 5th. RPEA is in support.**

SR 41 (de Leon, D-Los Angeles) – This bill would resolve that the California State Senate calls upon the Senate of the United States to thoughtfully and carefully consider the full impact of any measures that amend, revise, or repeal provisions of the ACA to ensure there is adequate public review and input from the health care industry, consumers, and other stake holders, to ensure that the Congressional

Legislative Update



Budget Office has provided estimates of a final version, and that it is in print and available to the public for at least 72 hours prior to any vote. The California State Senate calls upon the Senate of the United States to ensure that any legislation that is presented for a vote does not result in loss of coverage to the tens of millions of people who have benefited from the ACA, provides coverage for those with preexisting conditions, is affordable for older low-income adults, and contains adequate benefits.

SR 41 was adopted on June 19th.

RPEA was in support.

Oppose

SB 32 (Moorlach, R-Costa Mesa) – This bill would create the Citizens' Pension Oversight Committee to serve in an advisory role to the Teachers' Retirement Board and the Board of Administration of PERS. The bill would require the committee, on or before January 1, 2019, and annually thereafter, to review the actual pension costs and obligations of PERS and STRS and report on these costs and obligations to the public. **SB 32 did not make it out of its first policy hearing in the Senate Public Employment and Retirement Committee and has been made a two-year bill. RPEA is in opposition.**

SB 454 (Moorlach) – This bill would, for state employees who are first employed and become members of the retirement system on or after January 1, 2018, limit the employer contribution for annuitants to 80% of the weighted average of the health benefit plan premiums for an active employee enrolled for self alone, during the benefit year to which the formula is applied, for the 4 health benefit plans with the largest state civil service enrollment, as specified. **SB 454 has been made a two-year bill. RPEA is in opposition.**

SB 601 (Morrell, R-Rancho Cucamonga) – This bill would require the Board of Administration of the Public Employees' Retirement System to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the Teachers' Retirement Board to provide a description of the discount rate the board uses for reporting liabilities calculations, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. **SB 601 has been made a two-year bill. RPEA is in opposition.**

SB 681 (Moorlach) – This bill would require the Board of Administration of PERS to allow a contracting agency to

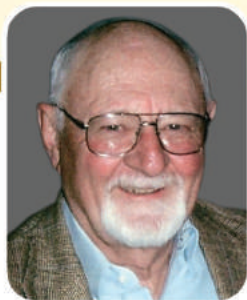
terminate its contract with the system in a manner that does not result in excessive costs or penalties to the contracting agency, allows the contracting agency to withdraw its net assets paid into the system less payments made to its members and their beneficiaries, and ensures that the contracting agency remains responsible for its unfunded liabilities so that those liabilities are not shifted onto other PERS members or employers. **SB 681 has been made a two-year bill. RPEA is in opposition.**

SCA 1 – This bill would prohibit the state from incurring any liability for payment of the retirement savings benefit earned by program participants in the California Secure Choice Retirement Savings Program. The measure would also prohibit the appropriation, transfer, or encumbrance of moneys in the General Fund for the purposes of the program, including any unfunded liability that the program may incur, unless the appropriation, transfer, or encumbrance is for funding the startup and first-year administrative costs for the program. **SCA 1 was heard in the Senate Public Employment and Retirement Committee and failed passage. It is now a two-year bill. RPEA was opposed.**

SCA 8 – This bill would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions. Essentially, this bill changes an employee's retirement mid-career. **SCA 8 has been made a two-year bill. RPEA is opposed.**

SCA 10 – This bill would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any post employment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University. **SCA 10 has been made a two-year bill. RPEA is opposed.**

RPEA Legislative Update



By Jim Anderson, Director of Legislation

The first part of the California Legislative year (2017-2018) is over. All bills that were passed have either been signed by the Governor or vetoed. I am not sure if either the Senate or the Assembly are interested in trying to overturn a veto, or if they plan to try again to draft acceptable bills that they feel are important. It was reported that the Governor might approve bills similar to ones previously vetoed if he had input in redrafting them to remove his opposition. Only one bill that RPEA felt was important to support, AB 315 (Wood) dealing with "pharmacy management regulation," was held back to clear up some late amendments and will be acted upon in January 2018 during the second part of the legislative year. RPEA opposed several bills that would weaken the CalPERS process, were direct attacks on the pension system or proposed illegal actions such as removal of Cost of Living Adjustments (COLA's). None of these bills passed either house and are likely dead.

As required by the Bylaws, the RPEA Board of Directors has adopted a set of priorities for legislation that are followed by the Legislative Committee and in conjunction with the other RPEA Committees. In this way we can work on those bills particularly important to the membership of RPEA. We work closely with the Health Benefits Committee on legislation affecting medical, drug and related matters. This year the "Healthy California Act" (SB 562) was particularly interesting in proposing a "single payer" health care system. The bill passed the Senate but has been held up in the Assembly for further study during the fall and winter. It will be brought up again in January 2018. RPEA has not yet decided our position on this bill, and it is in a WATCH position at this time pending the study period outcome.

We have begun discussions with Aaron Read and Pat Moran regarding what legislation should be supported during the next legislative session and beyond. CalPERS is looking at legislation that will clear up issues where agencies voluntarily terminate their contract and fail to pay to maintain their agreement. This has resulted in a reduction of the benefits promised the workers in those

agencies. Of specific concern is how CalPERS will respond when a Joint Powers Authority (JPA) disbands and then refuses to accept responsibility for workers in that agency. The members of the JPA claim no responsibility for maintaining the contract for employee benefits. We will support legislation that corrects these problems.

Another issue that we discussed is to look at some comprehensive legislation for long term care or rehabilitation facilities for older adults. Several bills have been introduced that attempt to correct abuses for patients in these facilities. We believe that it might be beneficial to have the State provide sufficient information and control on these facilities so that patients and their relatives can find those facilities that will provide good care at times when the need arises. We will be working to determine what is needed and if appropriate legislation is needed.

We are also looking at a way to make the calculation of the Cost of Living Adjustment better reflect the residents of California. It is currently calculated using the nationwide Cost of Living Index (CPI). We believe that for Californians it should be based on the Cost of Living Index for California. We

will continue to have discussions with CalPERS about legislation that will accomplish this change.

At this time the U.S. Congress is discussing changes to the U.S. Tax Code. The information released so far indicates that California residents will likely take a hit with deductions for state taxes being removed. In addition, because of the cuts proposed by the Congress, there is some concern that Medicare and Medicaid will also be cut to make up for the lower revenue from the tax cuts that are proposed. The Legislative Committee will discuss ways that RPEA might respond to the proposal coming from Washington that will have an impact on retired workers. At this time, it is clear that the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) are not going to be modified under the present Congress. We will continue to let our representative know that we encourage the repeal of these two provisions.

WATCH THIS SPACE!!!



OF INTEREST TO OUR MEMBERS...

RPEA SEE'S CANDY CERTIFICATE PRICE INCREASE



Remember:

- We sell See's Candy Certificates all year long.
- Each certificate represents the equivalent of a 1 lb. box of See's Candy.
- As an RPEA member, you may order:

By mail: Send a note explaining your order, along with your check for the number of certificates you want to: RPEA, 300 T Street, Sacramento, CA, 95811

By phone: Use your **Visa** or **Mastercard**. Just call the Headquarters Office at 800-443-7732 to place your order

Online: Use your Visa or Mastercard in the RPEA Store at www.rpea.com

As of February 1, 2018, the price of our See's Candy Certificates will increase to \$17.50 each by mail

**All certificate orders postmarked prior to February 1 will be processed at the current price of \$16.00 each.*





Season's Greetings!



This holiday season, give yourself one of the BEST gifts you can! Medical Air Services Association (MASA) can help safeguard you against financial losses associated with medical transportation. But MASA covers even more than that! Some of the Platinum membership benefits available to RPEA members include unlimited ground ambulance transportation, emergency air ambulance transportation, vehicle return, organ retrieval, escort transportation, mortal remains transportation, and helicopter transportation! MASA protects you at home or while you are traveling anywhere in the world, 24 hours a day, 365 days a year. Coverage is as low as \$24.50 a month! Want to give MASA as a gift? No problem! We can help you with that. Just call us at the number below.

Protect yourself this holiday season and into the New Year with the MASA Platinum Membership!
Enroll online at www.myAMBIA.com or over the phone at 1.844.442.6242



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This is a paid advertisement.

Brown Wins CalPERS Board Seat in Runoff; Joins Miller on Board!

December 12, 2017

New Members' Four-Year Terms Begin January 16, 2018



SACRAMENTO, CA - Margaret Brown was declared the unofficial winner today of the runoff election for a Member-at-Large seat on the CalPERS Board of Administration.

Brown and incumbent Michael Bilbrey faced each other in the runoff held for Position B after the September primary election, in which David Miller was elected to Position A.

All results are considered unofficial until formal certification by the California Secretary of State.

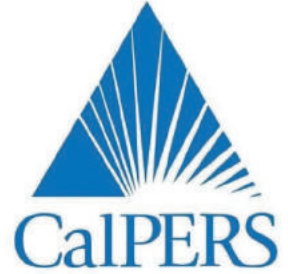
The unofficial election results indicate Brown received 77,969 votes, which represents 53 percent of the votes cast during the voting period of November 10 through December 11, 2017. Bilbrey received 69,123 votes, or 47 percent.

The runoff was triggered when none of the four candidates running for Position B received a majority of votes cast. In such a case, the two candidates with the highest number of votes — Brown and Bilbrey — vie in a runoff.

Brown and Miller will each serve four-year terms beginning January 16, 2018.

A graduate of the University of California, Riverside, Brown works for the Garden Grove Unified School District. Miller has served as a state regulator, labor leader, and mediator and is employed by the California Department of Toxic Substances Control.

The 13-member CalPERS Board of Administration sets policy and oversees the administration of retirement and health benefits on behalf of California public employers, and their active and retired employees. The Board also oversees administration of the pension fund's investments. Under the California Constitution, the CalPERS Board has exclusive authority to administer the CalPERS Pension Fund.



Merry Christmas & Happy New Year from RPEA!



WHAT ARE THE LAO AND IEC?



By Jim Anderson, Director of Legislation

The Retired Public Employees' Association (RPEA) is a non-partisan organization. That does not mean that we are not political. We occasionally find it necessary to get into the political arena when legislators or others make attacks on the benefits we have worked hard to obtain. In many instances we can do this by personal contacts and persuasion. Hopefully our reasoning has merit with people who will listen to our appeals. However, many times we find that financial support will get the attention of the politicians, or we can spend money to get our message to the general public.

Because RPEA's bylaws do not permit the use of dues money to pay for political campaigns, we have established two independent organizations that are able to provide financial support when needed. These are the Legislative Action Organization (LAO) and the Independent Expenditure Committee (IEC). They operate under their own bylaws and the requirements of the Fair Political Practices Act and Regulations. The LAO makes contributions directly to the campaigns of candidates for state offices. The IEC makes contributions to individuals,

campaigns for ballot initiatives, or issues that will inform the people of the impacts on retired persons. Each of these committees is under the control of Trustees appointed by the RPEA Board and are chaired by the RPEA Director of Legislation. (Spoiler alert, that's me.)

The Trustees of the RPEA Legislative Action Organization (LAO) have made donations to the campaigns of legislators in the last election who have indicated their support for our retirement program and CalPERS. Recently the LAO made a contribution to the campaign of Margaret Brown for the CalPERS Board of Directors.

The Trustees of the LAO and IEC raise money from members of RPEA by either direct donation or through a deduction from their monthly CalPERS warrant. Unfortunately, we have received support from less than 600 of the 24,000 members of RPEA. The Trustees appreciate the contributions from members to these two funds and are careful in their deliberations about the use of these funds to support the mission of RPEA. If you wish to make a contribution to the LAO or IEC, contact the RPEA Headquarters Office, your Area Director, your Chapter President or me. Your support of the ongoing political efforts of RPEA will be used effectively.

Richard Costigan Re-Elected to CalPERS Board



December 8, 2017 - SACRAMENTO, CA - The California State Personnel Board (SPB) has re-elected Richard Costigan as its representative to the California Public Employees' Retirement System Board of Administration.

"We are grateful for Mr. Costigan's continued service on the CalPERS Board," said CalPERS Board President Rob Feckner. "His knowledge and background in government and public policy have proven to be invaluable as we work in a bipartisan manner to ensure a sustainable pension system and provide quality healthcare for California's dedicated public employees."

This is Costigan's eighth one-year term on the CalPERS Board of Administration. He was first elected by the SPB in December 2010.

Costigan was appointed to the SPB by Gov. Arnold Schwarzenegger in 2007. He is currently the senior director of State and Government Affairs for the national law and consulting firm of Manatt, Phelps & Phillips. From 2003 to 2006, Costigan served as deputy chief of staff and legislative affairs secretary to Gov. Schwarzenegger, where he was involved in all aspects of administration policy and legislative affairs. His responsibilities included being the liaison between the governor, the Legislature, and California's many agencies and departments on policy development and implementation. Before joining the Schwarzenegger administration, he was vice president of Government Relations for the California Chamber of Commerce. Costigan also previously served in the California State Assembly as the chief of staff to two minority leaders and the Caucus Policy Director.

Costigan is a graduate of the University of Georgia and the Cumberland School of Law at Samford University in Birmingham, Alabama.





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Benefit Highlights for 2018

- **Silver&Fit®**
Exercise and
Healthy
Aging Program
- **Optional Dental
Coverage for
Public Agency
Retirees**

*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change one year to the next. Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2018. Kaiser Permanente #H0524.

Benefits, premiums and/or copayments/coinsurance may change on January 1 of each year and at other times in accord with your group's contract with us. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. The provider network may change at any time. You will receive notice when necessary. In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

This is a paid advertisement.

Joining RPEA Helps Us Support YOUR Retirement Security

RETIRED PUBLIC EMPLOYEES'

ASSOCIATION OF CALIFORNIA

Membership



Application

Have a scanner app
on your smart phone?

Visit our website:
www.rpea.com

Join online!



Why Join RPEA?

RPEA protects the interests of retirees at the state level to ensure your retirement remains secure. We retain a professional lobbyist who represents our interests before the Governor, Legislators and CalPERS Board. We also have access to a federal lobbyist who keeps us informed on federal retiree issues.

RPEA continues an active and ongoing relationship with CalPERS by serving on their Advisory Committee concerning CalPERS plans and proposals. We also monitor every CalPERS committee and frequently testify at these meetings on behalf of our members.

Every RPEA member receives a bi-monthly statewide newsletter with general information as well as legislative and health care updates.

Members also gain access to numerous member-only benefits including dental and vision plans and a wide array of merchant discount programs. For only \$5.00 a month you get even more back in benefit savings!

Become a Member in Three Easy Steps!

STEP 1: Tell Us About Yourself

Your Name: _____ Date of Birth ____ / ____ / ____
☐ M ☐ F
Spouse Name: _____ ☐ M ☐ F Date of Birth ____ / ____ / ____
Is your spouse an additional applicant? ☐ Y ☐ N
Address: _____
City/State/Zip: _____
Phone: (____) ____ - ____ Email: _____
Retired From: _____ Retirement Date: _____
RPEA Chapter Number or Name if Known: _____
Referred By: _____ RPEA NEWSLETTER

STEP 2: Select One Membership Type

- ☐ Retiree (CalPERS Annuitant) ☐ Beneficiary (Beneficiary of a CalPERS retiree)
☐ Affiliate (Still working for a Public Agency) ☐ Associate Member (Supporter of RPEA's goals)

STEP 3: Select One Payment Method

- ☐ **Option 1: MONTHLY CALPERS DEDUCTION:** I authorize the California Public Employees Retirement System (CalPERS) to deduct for each applicant on this form \$5.00 per month from my retirement allowance until revoked by me in writing. **Only available if one applicant is receiving a CalPERS retirement payment.**

Signature Social Security Number or CalPERS ID + Last 4 of SSN
- ☐ **Option 2: CHECK OR MONEY ORDER:** As payment for the first year's dues, I have attached a check or money order for \$60.00 (\$30.00 for affiliate membership) for each applicant on this form. I will be billed annually for subsequent renewals.
- ☐ **Option 3: CREDIT CARD AUTHORIZATION:** As payment for the first year's dues, I authorize \$60.00 for each applicant on this form (\$30.00 for affiliate membership) to be charged on my credit card. I will be billed annually for subsequent renewals.
Card Number: □□□□-□□□□-□□□□-□□□□ (MasterCard or Visa only)
Expiration Date: □□/□□ CVV/CVC: (3 Digit code on the back of card) □□□

Signature

RPEA/October/2017

THANK YOU for Joining RPEA!

RPEA
Headquarters Office:
(800-443-7732)

Return your completed application to:
RPEA • 300 T Street • Sacramento, CA 95811-6912





Retired Public Employees' Association of California (RPEA)

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