President’s Report

A Message From President Jerry O’Keefe

Wow, where do I start? It has been a busy month. I was invited to speak at Chapter 095 – SILVER AND GOLD in Sparks, Nevada, by Area Director VII, Richard Avilla. I was also invited to speak at Chapter 099 – SAGEBRUSH by Area Director IX, Cleave Govan. I decided to combine those trips. I had a great visit and was treated very well by both very enthusiastic groups. At the meeting with the members of Chapter 099 I discussed the topic of the prospective member lists which will be distributed by the Headquarters Office in the near future. I encouraged the chapter to use this list as a tool to increase membership. I also took the opportunity to encourage our members in Nevada to contact former co-workers back in California and ask them to vote for Harvey Robinson and JJ Jelincic for the thirteen-member CalPERS Board of Administration. Both Harvey and JJ were endorsed by our RPEA State Board.

When returning from Sparks via Sacramento, I was able to spend valuable time at this month’s State Coalition of Retired Employees (SCORE) meeting. SCORE is a coalition of like-minded organizations dedicated to protecting retiree benefits. RPEA is a member. I spent a few days at the office and attended some of the CalPERS monthly meetings. RPEA was well represented at these meetings by Harvey Robinson, George Linn, Joanne Hollender, and Al Darby. I thank them for their participation.

Ann McWherter, our Immediate Past President, met with Al Darby, our Director of Member Services, and me to explore the implementation of some of the suggested changes presented in the final strategic plan report prepared by Terry McHale of Marketplace Communications. Ann will call another meeting of the Committee to further study how much of the formal plan can be applied to fine tune our operation.

On a personal note, my wife, Jeri accompanied me on my travels. While we were in Sacramento, my wife suffered an accident. In short, she seriously injured her shoulder and suffered head trauma. As I write this, she is still hospitalized. She is recovering, but slowly. I am looking forward to her full and complete recovery. We both feel very lucky compared to so many others who have lost a loved one or sustained even more serious injuries. For additional photos of our trip, see bottom of page 12.

All the best!
Jerry O’Keefe

We misspelled the name of Chapter 069 member, Bethi Carver, in the Artist of the Month article on page 14 of our July/August issue. Our apologies.
RPEA Advocacy & Legislative Accomplishments

For over 50 years (1963-2013) the Retired Public Employees’ Association has protected and preserved the retirement benefits of public employees.

The following is a synopsis of just some of the accomplishments RPEA has as the result of its lobbying efforts using the influence of its large number of retiree members to persuade legislators on their behalf.

- Legislation was enacted requiring that an elected “Retiree” member be added to the PERS Board of Administration. This measure was a result of many years of effort by RPEA.
- RPEA was primarily responsible for getting AB 1545 (Perino) passed in spite of Proposition 13.
- A base raise for State and Classified School Retirees was gained after RPEA formed a coalition.
- State retirees obtained a one-time increase and the lump sum death benefit was increased for everyone. A cost of living bill was passed giving all retirees a cost of living increase.
- In 1978 RPEA hired Aaron Reed & Associates, a professional legislative advocate and experienced lobbyist with an understanding of RPEA and its mission.
- RPEA worked since the mid 1970’s to devise a method of securing funds for retiree cost-of-living increases. The Boatwright bill (AB 2674) made this proposal a reality. RPEA fought hard for this program, including transporting many busloads of retirees from chapters throughout the state to converge on the State Capitol.
- SB 46 extended the Boatwright bill for two additional years and established the Investment Dividend Disbursement Account (IDDA). This legislation was written by RPEA’s legislative advocate, Aaron Read. The IDDA benefited over 130,000 annuitants.
- The Legislative Defense Organization (LDO) was established as a political arm of RPEA. As a non-profit organization, RPEA is politically active on issues supporting or opposing legislation. To be most effective RPEA must be able to pursue its goals through both legislation and by supporting political candidates friendly to RPEA. The LDO became active in 1987 and raised its first voluntary funds. The Governor wanted to take $440 million from the PERS reserve fund instead of the billion-dollar State budget reserve to adequately finance health care, education, and several other social programs. To accomplish this raid legally he needed legislation. RPEA, recognizing that such action by the Governor would damage the IDDA program and set an intolerable precedent, launched an all-out campaign with several legislative alerts to chapters. Thousands of our members went into action contacting their State legislators and the Governor. Over 15,000 letters were recorded and received at the State Capitol.

By this united effort of RPEA’s members and other retiree groups, the legislation was blocked leaving the PERS funds intact.

- Proposition 162, a grassroots initiative, was organized and financed by RPEA and other retiree groups and did pass by a small margin. The proposition did the following:
  (a) Stated the Trust nature of public pension funds
  (b) Moved the Actuary back to PERS
  (c) Protected the composition of all state pension boards. (The Governor had asked the Legislature for authority to appoint the PERS Board of Administration in order to control it.)

Since 2000 several bills were introduced and reintroduced and passed into law by the Governor. AB 1009—(PPPA) Purchasing Power Protection Allowance, for Local Public Agencies. AB 50 increased the Death Benefit for Classified School members. AB 1937 permits Local Public Agency employers to provide an ad hoc COLA increase for retirees.

RPEA is currently initiating legislation to protect the privacy of CalPERS members, and we need your help. The continual attacks against the retirement benefits of public employees are frightening.

Once again politicians at every level of government are trying to break the retirement promises made to public employees after a lifetime of public service. This week the newspapers wrote about a Texas billionaire running an initiative in California that will significantly reduce our retirement and healthcare benefits.

RPEA has a half-century history of protecting the interests of our retirees. For more than fifty years we have fought at every level of government to expand retiree rights and protect retiree benefits. We are retirees working for all retirees.

You can make a difference. You can help us fight back. There is strength when we all stand together. Get on our team and work with us to do everything possible to protect and improve the quality of the lives of California retirees.

With the State’s financial situation and the country’s economic crisis there has been an active attack against all California public employee pension plans and retiree benefits. RPEA members paid into the pension system for decades and retired on that promise.

Join us at a chapter meeting to see how you can become involved in protecting your benefits. For chapter meeting information please call the RPEA Headquarters Office at: 1 (800) 443-7732 or connect with us on our website: www.rpea.com
LEGISLATION

The Assembly returned from summer recess on August 5th and the Senate returned on August 12th. This is the first time in history where the two houses have had a separate recess. Nonetheless, both houses hit the ground running and the remaining weeks of session have and will be extremely busy.

The Legislature officially adjourns the first half of the 2013-14 legislative session on September 13th. Please look for a complete legislative update in the next Newsletter. For now, below is a summary on two of RPEA’s major issues:

Retirement Legislation

The Legislature passed AB 340 by Assemblymember Warren Furutani (D-Long Beach) and AB 197 by Assemblymember Joan Buchanan (D-San Ramon) last year, both of which implemented pension reform, known as the Public Employees’ Pension Reform Act of 2013 (PEPRA). We are still working on amendments to make sure this bill is implemented correctly. Current negotiations revolve around the definition of final compensation for retirement purposes. It was never intended that it be “base pay,” as is normally defined. Rather, it is intend to be “regularly recurring pay.” Therefore, we are trying to ensure that this is how calculations for final compensation will be made.

During the closing weeks of the legislative session, we will be finalizing amendments to SB 13 (Beall, D-San Jose), and perhaps other bills, dealing with PEPRA clean-up. There is limited time to get this done, as there are only a few weeks left in the legislative session. We will keep you updated as information progresses.

PERS Legislation

As you may have heard, CalPERS is planning to go live with an online, searchable database that would include the retirees’ name, monthly gross pension payment, base allowance, cost-of-living adjustment, years of service, date they retired, pension benefit formulas, final compensation and last employer. It was planning to go live the week of July 15th; however, due to the efforts of RPEA and Aaron Read & Associates, we were able to convince them to hold off...for now. In the meantime, RPEA, along with several other labor organizations, has asked the Legislature to evaluate this and consider legislation to protect retirees’ privacy as best we can.

RPEA has also written a letter to the CalPERS Board of Directors and Executive Staff asking them to hold off on posting retirees’ personal information on their website, until the Legislature has had an opportunity to conduct hearings to determine what, if any, legislation is necessary in order to protect retirees and minimize any intrusion, particularly from marketing companies, who may attempt to exploit them. We also sent a letter to the chairs of both the Assembly Public Employees, Retirement and Social Security Committee and the Senate Public Employment and Retirement Committee asking that they conduct interim hearings during the fall legislative recess in order to allow ample airing of this issue. We will keep you apprised of any actions on this matter.

We understand the need for transparency; however, they should only provide data, NOT names. We realize this information has been available to those who asked PERS for it, and many newspapers have. However, we are concerned about retirees’ names being posted. They can be vulnerable, particularly our older retirees, and we fear that predatory marketers will prey on them, attempting to market everything from reverse home mortgages to trips to Europe. In today’s world, it is not difficult to find information online. All you need is a name to get an address. Most of our retirees are home owners and property tax records are public, which makes it even easier to target them.

ELECTION UPDATE

Even though this is not an election year, there have been a total of eight special elections so far. Below is a brief recap on each of them:

Special Elections

**SD 32** – Gloria Negrete-McLeod vacated this seat on January 2, 2013, and was sworn-in to Congressional District 35 the following day. A special election was held on March 12th to fill her vacated Senate seat. While Norma Torres received a majority of the votes, she did not receive 50% + 1. Therefore a runoff election was held on May 14th. Torres handily won the election and was sworn-in on May 20th.

**SD 40** – Juan Vargas vacated this seat on January 2, 2013, and was sworn-in to Congressional District 51 the following day. A special election was held on March 12th to fill his vacated Senate seat. While Ben Hueso received a majority of the votes, she did not receive 50% + 1. Therefore a runoff election was held on May 14th. Torres handily won the election and was sworn-in on May 20th.

**AD 80** – Ben Hueso vacated this seat on March 20th and was sworn-in to Senate District 40 on March 21st. A
special election was held on May 21st for Assembly District 80 and Lorena Gonzalez received 50% + 1 of the vote. Therefore, she was elected outright and was sworn-in on May 28th.

**AD 52** – Norma Torres vacated this seat on May 19th and was sworn-in to Senate District 32 on May 20th. A special election was held on July 23rd for Assembly District 52. A Democrat, Freddie Rodriguez, and a Non-Partisan candidate, Paul Leon, emerged as the top two vote getters. However, neither candidate received 50% + 1 of the vote. Therefore, a runoff election has been scheduled for September 24th.

**SD 16** – Michael Rubio vacated this seat for personal reasons on February 22nd. A special election was held on May 21st to fill the seat. Democrat, Leticia Perez, and Republican, Andy Vidak, emerged as the top two vote getters; however, neither candidate received 50% + 1 of the vote. Therefore, a runoff was scheduled for July 23rd. Andy Vidak won the election and was sworn-in on August 12th, when the Senate returned from summer recess.

**AD 45** – Bob Blumenfield vacated this seat on June 30th, and was sworn-in to the Los Angeles City Council on July 1st. A special election has been scheduled for September 17th to fill this seat. There are 11 candidates that have entered the race: seven Democrats, three Republicans and one non-partisan. If no candidate receives 50% + 1 of the vote, a runoff election will be held on November 19th.

**SD 26** – Curren Price vacated this seat on June 30th and was sworn-in to the Los Angeles City Council on July 1st. A special election has been scheduled for September 17th to fill this seat. Two candidates have entered the race: Assemblymember Holly Mitchell and Mervin Evans, both Democrats. Assemblymember Mitchell will likely win this election; however, if she does not receive 50% + 1 of the vote, a runoff election will be held on November 19th.

**AD 54** – Since speculation is being made that Assemblymember Mitchell will win election to SD 26, candidates are already lining up and campaigning for her Assembly seat. So far, six candidates have announced. Since the special election for SD 26 has not even happened yet, it’s too soon to predict a date for this election.
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<tr>
<td>AB-160 (Alejo) D</td>
<td>Would except from the California Public Employees’ Pension Reform Act of 2013 (PEPRA), by exempting from the definition of public retirement system, certain multiemployer plans authorized under federal law and retirement plans for public employees whose collective bargaining rights are protected by a specified provision of federal law.</td>
<td>Assembly-Committee on Public Employees, Retirement and Social Security Urgency language was added on 5/28. 2/3 vote. If passed, will be effective immediately.</td>
<td>W-1 (WATCH 1)</td>
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<td>AB-322 (Yamada) D</td>
<td>Would enact the Home Care Services Act of 2013 and would require the licensing and regulation of home care organizations, as defined, by the State Department of Social Services. The bill would establish home care organizations as being recognized in the health care industry. The bill would prohibit, after January 1, 2016, an entity from entering into a contract or arrangement for the provision of home care services by a home care aide without first obtaining a license and an immediate civil penalty on an individual or entity that operates a home care organization without a license. The bill would also impose various licensure requirements on a home care organization. This bill contains other related provisions. (Family members will not be required to be licensed)</td>
<td>Assembly-Hearing 4-2-13 in Human Services Committee Placed in suspense file on 5/28/2013.</td>
<td>S-2 (SUPPORT 2)</td>
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<tr>
<td>AB-373 (Mullin) D</td>
<td>The Public Employees’ Long Term Care Act requires the Board of Administration of the Public Employees’ Retirement System to conduct a review of each carrier’s long-term care insurance plan that the System is using for eligible employees and annuitants, as defined. Current law requires that long-term care insurance plans be made available periodically during open enrollment periods determined by the board. This bill would make technical, nont实质性 changes to these provisions.</td>
<td>Assembly-Pending Referral 8/26/2013 to Engrossing and Enrollment</td>
<td>W-1 (WATCH 1)</td>
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<tr>
<td>AB-410 (Jones-Sawyer) D</td>
<td>Public Employee Health Benefits enrollment (CPF sponsored) Would permit an annuitant who retires from retirement employment by the state or a contracting agency and who subsequently retires again on or after January 1, 2014, to enroll in a health benefit plan under PEFHC as an agent of the employer from which he or she first retired, upon meeting specified conditions, including that the person’s subsequent retirement occurs within 120 days after separation of employment or the person is subject to disability retirement, as specified. This bill would allow the board to make technical, nont实质性 changes to these provisions.</td>
<td>Assembly-Committee on Public Employees, Retirement and Social Security Appropriations Suspense File 6/24/2013</td>
<td>W-1 (WATCH 1)</td>
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<tr>
<td>AB-507 (Baron) D</td>
<td>Public Employees’ Retirement: postretirement death benefits (Appears this bill is for Schools only.) The Public Employees’ Retirement Law requires that, upon the death of any state or school member after retirement and while receiving a retirement allowance, the sum of $2,000 be paid to the member’s designated beneficiary, except as specified. This bill would authorize the board to make technical, nont实质性 changes to these provisions. (Contract Agencies already can contract for other amendments)</td>
<td>Assembly-Committee on Public Employees, Retirement &amp; Social Security Appropriations Suspense File 5/6. Failed deadline on 5/24. 2 year bill</td>
<td>S-1 (SUPPORT 1)</td>
</tr>
<tr>
<td>AB-761 (Dickinson)</td>
<td>Prohibits CalPERS and CalSTRS from invading public employee retirement funds in companies that manufacture, sell, maintain, or distribute firearms or ammunition and to sell or transfer any existing investments in companies with these businesses.</td>
<td>Appropriations Suspense File 5/6. Failed deadline on 5/24. 2 year bill</td>
<td>W (WATCH)</td>
</tr>
<tr>
<td>AB-785 (Weber) D</td>
<td>Would authorize an organization that provides employee representation or membership services to employees to submit a request to the Board of Administration to make technical, nont实质性 changes to these provisions.</td>
<td>Assembly-Committee on Public Employees, Retirement &amp; Social Security Appropriations Suspense File 5/6. Failed deadline on 5/3. 2 year bill</td>
<td>W (OPPOSE)</td>
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<td>AB-1163 (Levine) D</td>
<td>Would require the Board of Administration of PERS to prepay its operating expenses as specified.</td>
<td>The bill was killed and amended. Chaptered on August 19, 2013</td>
<td>W-2 (WATCH)</td>
</tr>
<tr>
<td>AJR-7 (Bonta) B</td>
<td>Assembly Joint Resolution would authorize the Director of Finance to prepay its operating expenses as specified.</td>
<td>S-1 (SUPPORT 1)</td>
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<td>AJR-165 (Walters) B</td>
<td>Would require the Board of Administration of PERS to prepay its operating expenses as specified.</td>
<td>Assembly-Committee on Public Employees, Retirement &amp; Social Security Appropriations Suspense File 5/3. Failed deadline 2 year bill</td>
<td>S (OPPOSE)</td>
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**BILL NUMBER & AUTHOR** | **LEGISLATIVE INTENT** | **CURRENT STATUS** | **OUR POSITION**
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**SB 220 (Beall) D**<br>Retirement: state employees (CalPERS sponsored) | The Public Employees’ Retirement Law provides a comprehensive set of rights and benefits for its members based upon age, service credit, and final compensation. That law requires a member of the Public Employees’ Retirement System to be retired for service upon his or her written application, if he or she has attained 50 years of age and is credited with 5 years of state service, except as specified. This bill would make a technical, nonsubstantive change to that provision. | Senate – Rules<br>8/30 Third Reading | **W-1**<br>(WATCH 1)

**SB-481 (Huff) R**<br>California Public employee’s Pension Reform Ace of 2013 | The California Public Employees’ Pension Reform Act of 2013 (PEPRA) prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee’s retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA prescribes definitions for the purposes of its provisions. This bill would make a nonsubstantive change to PEPRA. | Senate – Pending Referral<br>Failed Deadline 5/20.<br>2 year bill | **W-1**<br>(WATCH 1)

**SB-598 (Hill)**<br>Prescription Drugs: Biosimilar Products | Allows a pharmacist, filling a prescription order for a prescribed biological product to select a Biosimilar only if certain conditions are met. The bill requires that the substitution of a Biosimilar be communicated to the patient and that the full name and manufacturer of the Biosimilar be indicated on the prescription label. It also requires the California Board of Pharmacy to maintain on its public website a link to the current list, if available, of Biosimilar products determined by the FDA to be interchangeable. | In Senate. Concurrence on Assembly amendments.<br>8/30 – Senate Unfinished Business | **S/W**<br>(SUPPORT/ WATCH)

**SB-609 (Wolk) D**<br>Office of the State Long-Term Care Ombudsman | Current law requires the Office of the State Long-Term Care Ombudsman to solicit and receive funds, gifts, and contributions to support the operations and Long-Term Care Ombudsman Program of the office. This bill would require the office to deposit those funds into the Long-Term Care Ombudsman Program Improvement Act Fund, and would continuously appropriate those funds for the purpose of supporting the operations and programs of the office. This bill contains other related provisions and other existing laws. | Assembly Senate Third Reading File | **W-1**<br>(WATCH 1)

**SB-774 (Walters) R**<br>State employees: postemployment benefits | Would require the Board of Administration of the Public Employees’ Retirement System to develop a comprehensive plan, pursuant to specified criteria, to restructure health and other postretirement benefits, exclusive of pension benefits, for new state employees hired on or after January 1, 2015. Specified elements of the plan to be developed by the board include prefunding methods and contribution requirements, new employee vesting requirements, and employee benefit and participation options. | Failed Deadline on 5/3.<br>2 year bill | **O**<br>(OPPOSE)

**SB-775 (Walters) R**<br>State employees: postemployment benefits. | Would require the Board of Administration of the Public Employees’ Retirement System to develop a comprehensive plan, pursuant to specified criteria, to provide current state employees, with or without vested health care benefits, certain options to receive a buyout or transfer of promised postemployment health care benefits. Specified requirements for the plan to be developed by the board include the creation and administration of retiree health care savings accounts, determination of the potential costs of the program, and development of actuarial methods to determine the present value of postretirement health care benefits. | Failed Deadline on 5/3.<br>2 year bill | **O**<br>(OPPOSE)

**SBX1 3 (Hernandez) D**<br>Health care coverage: bridge plan. | Current law, the federal Patient Protection and Affordable Care Act, requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. This bill would declare the intent of the Legislature to enact legislation that would create a bridge option to allow low-cost health coverage to be provided to individuals within the California Health Benefit Exchange. This bill contains other current laws. | Chaptered on 7/11/2013 | **W-1**<br>(WATCH 1)

*Contact the Headquarters Office at (800) 443-7732 for a complete description of the position codes.*
Sometimes it’s hard to find the right words to put into print. Not because there isn’t anything to say; but, at times there is too much to say.

You can see by the Legislative Tracking Chart that several bills have been signed by the Governor, and others have been put into Suspense Files. However, they are 2-year bills, and this means they are not “dead.” It will just take more work to get them passed.

I had hoped that the follow-up bill for AB1234 (2012) would move forward and get us closer to a Defined Benefit Retirement system for all California workers. Sadly, this didn’t happen. AB937 (Wieckowski) was originally submitted to continue the effort and add the language to state law for this retirement system to be put into place. Unfortunately, this bill was completely gutted, and it ended up being an entirely different bill. The new bill did create protections for individuals who are under a conservatorship or trustee, so it was not a total loss. These protections include the right of the individual to receive visitors, phone calls and mail, even though someone may have been given Power of Attorney over them.

AB785 has failed to meet its deadline and is in suspense. However, this is a 2-year bill, so it isn’t completely dead. RPEA opposed this bill and will continue to do so. This bill would open the door for any organization or individual to call themselves a “Bonafide Organization” for retirees in order to gain access to our members as well as other CalPERS retirees.

Aaron Read and Pat Moran of Aaron Read & Associates continue to search for an avenue to give us the language we need for retirees to take advantage of “payroll” deduction for the extra benefits offered by RPEA through our Member Services programs. Currently, we can only use deductions for membership dues and insurance. It was originally thought that CalPERS would allow it to be included in a “housekeeping” bill. This didn’t happen. CalPERS staff members don’t seem to understand what a program like this is about. It has also received opposition from an unexpected source. Because RPEA opposed AB785, the sponsor of that bill is now opposing our language. I am still positive that we can work it all out and that our members will be able to enjoy the advantage of new programs through RPEA Member Services very soon.

Someone asked me once about my political leanings and how they play a part in my duties as the Director of Legislation. Well, my personal political leanings run to the conservative. However, in order to do my job, I ask myself this question: “How does this bill, candidate or action affect our CalPERS retirement and/or our health benefits?” RPEA is here to advocate for and protect our retirement. If we have the resources, and if the Board of Directors make a decision to support social issues that do not have an impact on our benefits, I am bound to honor that decision. The Legislative Committee is evenly split with conservative and liberal individuals serving. I have discovered that our Board of Directors is also very balanced in political opinion. We all have ample opportunity to openly discuss each issue and voice our opinions before a vote is taken on any issue. RPEA has been successful in our mission since 1958, and I believe we will continue to be successful far into the future. It has been my pleasure to serve in the best organization in existence for all retirees.
By Al Darby, Director of Member Services

RPEA Member Services Update

Many members of RPEA have been impacted by the hefty increases in premiums for lifetime Long Term Care from CalPERS. To mitigate the cost CalPERS is suggesting that affected members chose a 10, 6 or 3 year plan. Each member of the CalPERS LTC plan with lifetime coverage must make his/her own decision about accepting the increased premium or selecting a shorter-term plan. For RPEA members who might wish to enroll in a traditional Long Term Care plan (monthly premium-type) we offer that through an RPEA group discount plan. There is another option—the RPEA group plan through Genworth Life. This is a prepaid, combined life insurance and LTC coverage plan that returns a greater benefit upon death, less any LTC used. Qualifying for the life insurance/LTC plan can be more difficult; normal life insurance underwriting standards apply. Age is a major factor in qualifying for any LTC plan.

The Cancer Plan offered by RPEA group Member Benefits has proven to be very popular. Since the most recent marketing material was mailed a couple of months ago, we have had 700 new enrollees from RPEA ranks. This plan offers up to $1 million in benefits paid directly to the patient for cancer related expenses not covered by primary care insurance. (A member’s primary care insurance must cover 70% of treatment costs.) The plan also covers a number of other ailments up to $25,000.

For those of you who travel, an RPEA group plan called Emergency Assistance Plus offers the assurance that you will be given the best care possible if an accident or illness strikes you in a distant place. For example, life-saving flights from cruise ships are expensive. Finding the best care in strange lands can be daunting. EA+ guides you through these and other issues related to health care in an unfamiliar setting. Many other services related to your care and return home are handled by EA+.

Met Life Dental and Delta Care are the two RPEA group dental plans we offer. If you have had dental coverage within the last 90 days, you can switch to the Met Life Dental major plan with no waiting period for full coverage. A wide range of dentists are available in this plan. Delta Care is an excellent plan with extensive dental procedures available with low co-pays. It does not have a large population of dentists to choose from, but almost all areas in California have participating dentists.

The new Humana Medicare Advantage Plan is a very attractive RPEA group program that offers low co-pay medical and pharmacy services with a minimal monthly premium (no more than $32.00). In Southern California counties (except Ventura), there is no monthly premium. In other words, you pay your Medicare Part B premium and no additional premium in Southern California. In Fresno County it is $28 per month additional premium, and $32 per month in Alameda, Contra Costa, and San Francisco counties. This is an excellent plan for RPEA members who do not receive health care from their former employer in retirement or if their former employer pays a cash allowance to apply to health care in retirement.

We offer two group legal plans designed to handle legal matters at little or no cost and provide you with ID theft coverage for an additional $2 per month. Legal Club offers this service at a somewhat lower monthly fee, but the range of attorneys is more limited. Met Life (Hyatt) Legal offers the same services but offers a wide selection of attorneys.

Our Liberty Mutual group plan offers auto and home insurance for a 10% discount to members. This company provides excellent coverage and extraordinary added benefits. When you shop for auto/home insurance, always call Liberty Mutual and ask for the RPEA group rate.

We also have group vision and hearing plans. Your Member Benefits brochure has more information. You can also call RPEA's insurance administrator, EJS Insurance at: 800 841-6238 for full details.

The holiday season is rapidly approaching...

See’s candy certificates make great gifts! Order early to ensure you receive your certificates on time!

Order by: Friday, November 15, 2013
For guaranteed Christmas delivery.

WARNING:

When being hospitalized for anything, be certain you are not being admitted for “observation.” Many hospitals are using this ruse to escape paying for nursing home care for you if it is needed after your hospital stay. Medicare Part B would be in control and copays would be required of the patient for drugs, lab work and nursing home care if needed. Be certain you are admitted as a regular “admission” and not just for observation.
Affordable Care Act (ACA) - Covered California - California Health Benefit Exchange

Covered California is the California Health Benefit Exchange (also known as the “Marketplace”) for the federal Patient Protection and Affordable Care Act. Covered California was charged with creating a new health insurance marketplace in which individuals and small businesses (Small Business Health Options Program - SHOP) can access affordable health insurance plans. Covered California is an independent part of the state government overseen by a five-member board appointed by the Governor and the Legislature.

Covered California is planning to implement the new health care program for individuals and small businesses effective January 1, 2014 with October 1 as the start of the first Open Enrollment period. The initial Open Enrollment period ends in March 31, 2014. Subsequent enrollment periods will be conducted October through December of each year. Based on certain life-changing events, such as a divorce or the birth of a child, individuals may enroll within 60 days. MediCal applications are accepted year-round.

With coverage starting 2014, Covered California certified enrollment counselors and insurance agents will help individuals compare health insurance plans and choose the plan that works best for their health needs and budget. A sliding scale of financial subsidies in the form of premium assistance will be available to help reduce costs for qualifying people. Small businesses will be able to purchase competitively priced health insurance plans and offer their employees the ability to choose from an array of plans and may qualify for federal tax credits. Eligibility for tax credits is based on the number of people in a household and annual household income.

Premium Subsidies
Tax credits will be available to subsidize premiums for people who buy their insurance in the new marketplaces, do not have access to other affordable coverage, and have incomes between 100% and 400% of the federal poverty level (between about $11,500 and $46,000 for a single person, and $24,000 and $94,000 for a family of four). Besides household size and income, health premiums are based on age, zip code, and health plan and benefit level selected. Although being a smoker in some states can impact rates, in California it is not a factor. If annual income is less than $15,860 (for an individual), or $32,500 (for a family of four), members may qualify for MediCal.

Deferral of Cap on Out-of-Pocket Costs
The Obama Administration is delaying the law’s cap on out-of-pocket costs of $6,350 for individuals and $12,500 for families for some employer-based health insurance plans until 2015. The one-year delay applies only to employees insured through their jobs. It does not apply to individuals, families and small businesses purchasing health coverage through the state-based marketplaces such as Covered California. For more information, visit www.CoveredCA.com or call a Service Center at (888) 975-1142. Consumers will need to provide their social security numbers, income information (i.e. Wage and Tax Statement - Form W-2), and Income Tax Filing information (i.e. U.S. Individual Income Tax Return - Form 1040).

Medicare Open Enrollment Period for 2014
The Medicare Open Enrollment Period starts on October 15 and ends on December 7, 2013 for an effective date of January 1, 2014. During Open Enrollment, subscribers can:

• Switch from Original Medicare (Medicare Parts A and B) to a Medicare Advantage (Medicare Part C) plan.
• Switch from a Medicare Advantage plan back to Original Medicare.
• Switch from one Medicare Advantage plan to another. This might involve switching from a plan without Medicare Part D prescription drug coverage to one that has it, or vice-versa.
• Make changes to their Medicare Part D prescription drug plan:
  • Join a Part D plan.
  • Switch from one Part D plan to another one.
  • Drop the Part D plan altogether.

Note: Medicare Supplement Insurance plans are an exception. Members can join one at any time during the year, not just during the Open Enrollment Period. If a member’s Medicare coverage is working fine, there is no need to make a change in coverage for 2014, as long as the plan is available. The Open Enrollment period is a good time for members to evaluate their coverage.

For more information regarding Open Enrollment periods, contact the Medicare helpline 24 hours a day, seven days a week at: 1-800-MEDICARE (800)-633-4227), TTY (877) 486-2048. Tip: Say, “Agent,” at anytime to talk to a customer service representative. For more information, visit: http://www.medicare-supplemental-insurance.com/medicare-open-enrollment.html or www.medicare.gov.
CalPERS -
Special Health Enrollment for Same-Sex Spouses
On June 26, 2013, the United States Supreme Court struck down the portion of the Defense of Marriage Act (DOMA) that barred same-sex married couples from recognition as “spouses.” With the DOMA ruling, an impediment to same-sex marriages was removed enabling couples to reconsider enrolling their eligible spouses and children.

One-Time Exception
For employees and retirees, who previously chose not to enroll their spouse and eligible dependent children, CalPERS is offering a one-time exception opportunity to enroll in health coverage. Enrollment is limited to employees and retirees, who married during the period in 2008 when California first issued same-sex marriage licenses, but who chose not to enroll their spouse and dependent children. The one-time exception also applies to members who married a same-sex spouse in another state where same-sex marriage was legal prior to June 26, 2013.

Special Open Enrollment Period
The Special Open Enrollment period is effective immediately and continues through December 31, 2013. The exception period provides access to health coverage earlier than transactions processed during the annual CalPERS Open Enrollment, which has a January 1, 2014 effective date. Members who miss this opportunity may add their spouse during a future Open Enrollment period, or when a qualifying event occurs, such as a loss of coverage. Employed members must submit their Health Benefits Plan Enrollment form and a copy of their marriage certificate to their Health Benefits Officer (or to CalPERS for retirees) by December 31, 2013.

For more information call (888) 225-7377 or visit: http://www.calpers.ca.gov/eip-docs/employer/cirltrs/2013/600-047-13-attach1.pdf.

HICAP and SHIP
The Health Insurance Counseling and Advocacy Program (HICAP) is administered by the California Department of Aging. California HICAP is part of a national network of State Health Insurance and Assistance Programs (SHIP). SHIP is funded by a federal grant program to support local programs to help beneficiaries to understand how to use their Medicare benefits. The Centers for Medicare and Medicaid (CMS) administers the SHIP grant programs nationally.

HICAP provides free community education and unbiased confidential individual counseling statewide. HICAP counselors are not connected to any insurance company or health plan. They do not sell, endorse, or recommend insurance or related products, to members. HICAP counselors assist members with comparing, choosing and enrollment in Prescription Drug Plans and Medicare Health Plans; filing Medicare claims; providing help with Medicare appeals; and, many other services. In California, contact a counselor at (800) 434-0222 or visit: https://www.aging.ca.gov/hicap for more information.

For more information about SHIP offices located by state, visit https://www.shiptalk.org/About/SHIPProfileForm.aspx?mf=V.

CalPERS Eligibility Verification Program
The CalPERS Dependent Eligibility Verification (DEV) project was commenced on July 26, 2013 to verify enrollment of more than 730,000 health dependents in the CalPERS health program to ensure members are not burdened with paying the health care cost of those, who do not qualify for coverage.

As part of this eligibility verification project, regulations were approved in February 2013 granting the CalPERS Board the authority to provide amnesty to employees and annuitants, who voluntarily terminated their ineligible dependent(s) during a specified period of time. HMS Employer Solutions (HMS) conducted the Amnesty Phase of the project at a contract cost of $3.5 million. The amnesty phase was concluded on June 30, 2013 with only a 20% response rate.

During the amnesty period, 4,851 subscribers removed 6,722 dependents, which equates to approximately a 1.0% voluntary disenrollment. The State of California and California State Universities comprised 5,335 (79.4%) amnesty disenrollments; public agencies with 1,021 (15.2%), and schools with 366 (5.4%). The largest dependent type removed during the amnesty period was parent-child relationships.

The savings to CalPERS and employers (costs to taxpayers) from the amnesty disenrollment totaled $41,550,760, which includes premium contribution savings, estimated claims avoidance, and ACA (Affordable Care Act) Reinsurance Fee Avoidance.

CalPERS expects to find 1.0% to 2.0% additional disenrollments during the verification phase. Due to the large volume of subscribers and dependents, verification will occur in nine cycles with an additional cycle at the end to capture new hires:

• State: July 26, 2013 – June 1, 2014 (5 cycles)
• Public Agencies: June 2, 2014 – December 1, 2014 (3 cycles)
• Schools: December 2, 2014 – February 14, 2015 (1 cycle)
• New Hires: March 2015 – June 2015

RPEA has urged CalPERS to require employers, in particular the State of California, to conduct verifications of health eligibility on an-going basis. The State’s total premium contribution savings from Party Plan Changes total nearly $1 million per month. At this time, the DEV is a one-time project. Based on realized savings from the amnesty period, future on-going savings would be significant.
Katie Bysor, granddaughter of Jim Spaulding, President of Chapter 025 – LONG BEACH, gave the Pledge of Allegiance in sign language at the group’s August 2 meeting. Harvey Robinson and Director of Legislation, Donna Snodgrass, also spoke at this meeting.

PRESIDENT’S MESSAGE
(CONT’D. FROM PAGE 2)
A Message from Wanda Adams, President of Chapter 030 – AUBURN

Increasing member participation in chapter activities and getting positive information about RPEA out to the community have always been two of my goals since I became President of the Auburn Chapter. An opportunity to accomplish both of these goals at the same time occurred to me earlier this year. I had observed that every time Auburn Chapter 30 members get together for meetings we are really happy to see each other. We are a social, high-energy group. So, I was looking for a way for our members to enjoy getting together outside of meetings. Serendipitously, I read Rosemary Knox’s, Director of Membership, article in the RPEA newsletter about being a WOW! Chapter. I then saw a notice in our local paper about a summer bowling league. Thus, was born the Auburn Chapter 30 RPEA bowling team. We gained community exposure, and members are getting together for a lot of fun.
Now Is Still The Time

By George M. Linn, Director of Public Relations & Editor

Several months ago I wrote an article titled, “Now Is The Time.” Well, here I am again, with the same message about RPEA membership. **NOW IS STILL THE TIME** for each of us to work together to bring in new members. I feel so strongly about this that I dedicated the cover of this issue to this message.

The picture on this cover shows all of us as RPEA members on the platform, but the person who is really an outstanding member is the person in blue who is helping a new member up onto the platform. This is what we ALL need to do. My challenge to all of us is for each of us to bring at least one new member into RPEA. We have friends we worked with who could become members. We have neighbors we know who worked for public agencies that could become members. Each of us needs to communicate with these individuals. We need to provide them with information about RPEA. And never forget to include an RPEA membership application.

RPEA is OUR organization, and we are dedicated to working together to maintain and improve the quality of our lives by protecting and improving our earned retirement and medical benefits. Let’s continue to build RPEA by bringing new members into the organization.

Spotlight on Headquarters – New Staff Members

While you may recognize most Headquarters staff members, we have two new staffers since they were last highlighted in this publication. Our new Member Services Receptionist, EileenQuaintance (left), joined the staff in August. Eileen’s professional background is in accounting. She took some time off to raise two sons. Eileen is very happy and excited to be back in the workforce and is enjoying working at RPEA. Her favorite pastimes are spending time with her sons and baking.

Corey Saeteurn is RPEA’s new IT Technician at the Headquarters Office. Corey joined the staff in May and is responsible for maintaining our computer systems and database. He enjoys cars, fishing, camping and snowboarding.
RPEA Membership Benefits

Automobile/Home Insurance - Liberty Mutual Insurance Co.
Dental Plans - MetLife (all States) | New Dental Choice (all States)
Delta Care (California only)
Atriba Discount Network
Cancer Care Supplement
Family Legal Plan - Hyatt Legal Plan
- Legal Club of America (all States)
Hearing Plan - EPIC (all States)
Long Term Care - John Hancock (most States) Genworth
Life Connect Advantage
Health Proponent
Medicare HMO or Supplement Plan (A-J)
Humana Senior Advantage HMO/PPO
Medicare Supplement Plan A-N Transamerica (all States)
Prescription Drug Discount Plan - Outlook Rx
Travel Accident Plan - The Hartford (most States)
Group Final Expense Life Insurance - The Hartford
Vision Plan - Vision Service Plan (VSP) (all States)
Emergency Assistance Plus
VPI Pet Insurance

Discounts On:
Alpine Club/Palm Springs Tram
Aquarium of the Pacific
California Academy of Sciences
Gilroy Gardens
Great America
Knott’s Berry Farm
Legoland California
Madame Tussauds of Hollywood
Ripley’s Believe It or Not
Roaring Camp Railroad
San Diego Zoo Wild Animal Park
See’s Candy Certificates
Six Flags Discovery Kingdom
Universal Studios
Monterey Bay Aquarium

SEE’S CANDY CERTIFICATE
PRICE IS NOW
$12.75 PER CERTIFICATE

For a Membership application
call RPEA headquarters:
800 443-7732
Or visit our website:
www.RPEA.com

Contact RPEA Headquarters at:
800 443-7732
To request information on:
• Insurance plans
• Certificates for Discounts on See’s Candy
• Discounts on Amusement & Entertainment Admission Prices

Your Member Services Committee is constantly seeking new and improved discount benefit offerings.
**RPEA Board of Directors**

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<thead>
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<th>NAME</th>
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