



RPEA NEWS AND VIEWS

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

May - June 2019
Volume 7, Issue 2



We are California public employees who are working together to maintain and improve the quality of our members' lives by protecting and improving our retirement and medical benefits. RPEA members include retirees and their beneficiaries, those public employees who are currently employed, family, friends, and others who share our goals.

We welcome everyone!

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2019 Luncheon Dates
Wit and Wisdom



No need for any "June gloom."
Just join us for a pleasant afternoon!

When? Wednesday, June 12, 2019
11:30 a.m. – 2:00 p.m.

Where? El Patron Banquet Room
2524 E. Florida Ave., Hemet
Be sure to RSVP by June 5.

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

Lunch Price: RPEA Member: \$7 Spouse of member: \$7
Non-member: First time – FREE, after the first time - \$12

What's planned? A delicious lunch, friendly conversation, election of chapter officers, an interesting program, and door prizes.

Program: "Legislation Update" with Randy Cheek, RPEA'S State Director of Legislation. He will have up-to-date information about the status of current bills, the recent California Supreme Court decisions, and the issues facing retirees going forward. Following his presentation, there will be time for questions. {See page 2 for Mr. Cheek's background.}





Welcome New Members!

BENJAMIN CABANGUN	Murrieta
MARY CALDERILLA	Riverside
THOMAS CARPENTER	Minnesota
KRISTINE COUGHLIN	Murrieta
ARLET DRUL	Menifee
JOYCE FINK	Menifee
KENNETH LOGAN	Hemet
JESSIE MONTANO	Hemet
ROBERT NEWHARD	Murrieta
DIANE WAYMIRE	Hemet



GUEST SPEAKER: RANDALL CHEEK

We are looking forward to having Randy Cheek, State RPEA Legislative Director, as our June luncheon speaker. He grew up as a military dependent and later served in the Army as an Information Specialist during the Viet Nam Era. His 20-year career includes working for the California Legislature, serving as a Legislative Liaison for the California Lottery, and serving as Legislative Advocate for SEIU Local 1000 to get better benefits and working conditions for state employees. He provides RPEA leadership to preserve and protect Social Security as well as CalPERS pensions and benefits. He believes everyone should be able to live a decent life in retirement without concerns about outside forces trying to limit their incomes. We agree!

In Remembrance



JUDITH MODTLAND
San Jacinto
DOROTHY PENTZ
Sun City
EARL POPE
Hemet
ELWOOD SANDERSON
Menifee
DONALD SCCOTT
Aguanga
SARAH STOLZE
Sun City
FRED WILLIAMS
Winchester

NO MAN WILL MAKE A GREAT LEADER WHO WANTS TO DO IT ALL HIMSELF OR GET ALL THE CREDIT FOR DOING IT.

ANDREW CARNEGIE

CHAPTER 048 LEADERSHIP

Sonny Gillespie, President	951-492-0787	Robert McMahan, Membership	951-256-6757
Emily Wong, V.P. - Legislation	951-244-1787	Julia Lary, Communications	951-926-2104
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Sharon Kreul, Hospitality	951-657-9588	Lucy Murray, Recruitment Sec.	951-282-5820
Bonnie Hoffarth, Luncheon Sec.	951-591-1014	Linda Stonebreaker, Newsletter Editor	951-784-1060
	Dennis Kaczor, Past President	951-454-7241	
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CALIFORNIA SUPREME COURT UPHOLDS REPEAL OF “AIRTIME” BENEFIT

In the case involving purchase of extra years of service credit, justices decided unanimously that employees never had a contractual right to that benefit and thus it is not constitutionally protected. It was not a vested right; the credit was not deferred compensation for work.

The court decided not to touch the controversial “California Rule” [the right of a public employee to accrue the same level of pension benefits throughout his/her career.] There is continuing pressure to weaken this rule. The Chief Justice explicitly said she was not taking a position on the question of whether pension terms could be changed going forward for years not worked. However, this is only the first in a series of six pending pension disputes. The next case, from Alameda, Contra Costa and Merced counties, challenges a 2012 law that placed restrictions on what can be used to calculate pensions [applied to vested pre-reform employees, not just new hires]. One example would be on-call pay as salary. The other cases involve workers who lost benefits because they were convicted of job-related felonies and six judges who want higher benefits because they had been elected but took office after reform legislation went into effect.

Sources: Daniel Borenstein. “Supreme Court Punts on Pension Rule.” MERCURY NEWS. 5 March 2019; Maura Dolan. “Calif. Supreme Court Curbs A Benefit but Preserves ‘California Rule.’” LA TIMES. 4 March 2019; Bob Egelko. “California High Court Rules.” SAN FRANCISCO CHRONICLE. 4 March 2019; Katy Grimes. “Court Cuts Pension ‘Air Time’ but Preserves ‘California Rule.’” CALIFORNIA GLOBE. 4 March 2019; Ed Mendel. “New Pension-cut Rulings Begin with Little Change.” CALPENSIONS. 11 March 2019; Chris Reed. “Court Ruling Praised by Both Sides of Pension Debate.” CALWATCHDOG. 11 March 2019.

MORGAN-STANLEY WILL PAY CALPERS MILLIONS TO SETTLE LAWSUIT

Reuters reports that Morgan-Stanley will pay \$150 million to settle charges that it misled the California Public Employees’ Retirement System (CalPERS) and the California State Teachers Retirement System (CalSTRS) about the risks of mortgage-backed securities they bought during the years leading up to the 2008 global financial crisis. The lawsuit was filed in April 2016 by Attorney General Kamala Harris who is now a US Senator. CalPERS is slated to receive \$122 million and CalSTRS \$8 million, with the remaining \$20 million used to cover costs and fund other investigations.

Morgan Stanley (who denied wrongdoing) was accused of overstating the quality of subprime loans from lenders that it bundled into supposedly safe securities that CalPERS and CalSTRS bought from 2003 to 2007. The bank was also accused of failing to remove poor-quality loans from those securities and hiding the risks. Current California Attorney General Xavier Becerra stated, “Morgan Stanley lied about the risks of its products and put profits over teachers and public employees who relied on its advice.”

Source: Johnathan Stemple. OUR STANDARDS: THE THOMSON REUTERS TRUST PRINCIPLES.



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SAVE THESE 2019
LUNCHEON DATES!

June 12
September 11
December 11



THE SHREDDER

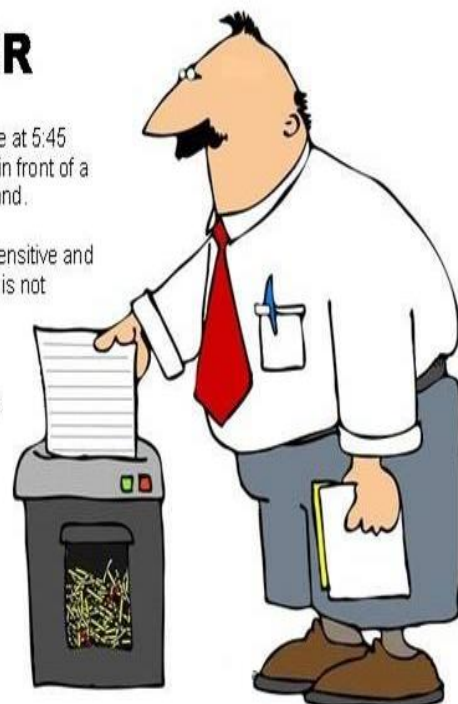
A young engineer was leaving the office at 5:45 p.m. when he found the CEO standing in front of a shredder with a piece of paper in his hand.

"Listen," said the CEO, "this is a very sensitive and important document, and my secretary is not here. Can you make this thing work?"

"Certainly," said the young engineer. He turned on the machine, inserted the paper, and pressed the start button.

"Excellent, excellent!" said the CEO as his paper disappeared inside the machine, "I just need one copy."

Lesson: Never, never, ever assume that your boss knows what he's doing.



Know someone who might be interested in joining RPEA? Please share this invitation!