



RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA NEWSLETTER

**Chapter # 106, San Benito County Area III Volume 4 Issue 5
November/December 2020**

Happy Holidays!

Margie Riopel, President

Merry Christmas and a Happy New Year to you and all your family. I hope this newsletter finds all of you in good health, I am looking forward to Christmas and especially the New Year. I am ready to put 2020 behind us.

I am hopeful that the Year 2021 will bring joy, hope and good fortune to everyone.

As the Holidays approach, I realize celebrating may be a little more challenging, but I am hopeful that plans will be made through social distancing, zoom or face time and some good memories will be shared.

You may want to check out the Nov/Dec Newsletter from RPEA Headquarters. The Legislative report covers the California election winners for both the senate and assembly as well as the propositions and recent CalPERS actions. If you are interested in understanding the RPEA organization it is available on the RPEA website at www.repea.com.

Our first Zoom Meeting on September 6, 2020 was a success, thanks to Corey Satuern at RPEA Headquarters, who set us up for our first Zoom. I appreciate those members who participated in the meeting. It was nice to see you even if virtual.

Chapter #106 will be scheduling a zoom meeting for Thursday January 14, 2021 at 11:30 am pacific time. Save the date I hope you will make plans to join us. Prior to the meeting an email and/or phone text message will be sent out to members who provided contact email or mobile numbers. You will be able to join the zoom meeting on a smart phone or a computer. Look for the email or text regarding the link for the zoom meeting. If you would like to participate by phone in audio only, please give me a call.

As of November, Chapter #106 has 100 members. Encourage others to join our chapter. Welcome to our newest member, Kathy Postigo. Congratulations Kathy upon your retirement with San Benito County. Thank you for your years of service to the County.

Until next time we meet, take care and be safe. Wishing you blessings in the New Year. Enjoy the holidays with your family and friends in the best way that you can.

Final Judgment in Rose and Riopel v. County of San Benito



WE WON! Specifically, we won the right to have our retiree health insurance premium contributions to be equal to those of active employees. We will receive 100% of what the actives currently receive, not the 70%. But more importantly, the Judge ruled that 'during our employment, the County entered into an implied contract to provide a vested right to have the County provide contributions to the cost of health insurance...for our lifetime.'

However, as anticipated, the County has filed a notice of Appeal...so until that is resolved, nothing changes. More to follow....

Health Benefits – 2021 Update San Benito County

By now you should have all received notice of yet another increase in our monthly premium contributions! The County's decision to abandon CalPERS PEMHCA health, has proven to be quite short-sighted. CalPERS rates are much lower than CSAC-EIA, which we knew, as CSAC does not have as big of a client pool to spread the costs. Rumor has it that the County is 'considering' returning to CalPERS health in some form when the five year lock out period is over in 2022. You can bet that if the County does return to CalPERS it will be under different terms as they won't want to be subject to contributing the same amounts for ALL retirees as they do for actives. We'll just have to wait to see what unfolds. Regardless, the path the County is currently on with CSAC is not sustainable for its retirees.

*In case you missed it the 2021 rates can be found at:
<https://www.cosb.us/home/showpublisheddocument?id=5867>*

These rates reflect nearly a 50% increase. And in another 'in case'—as if we don't have enough to be upset about, the County once again, as started in 2015, gave all active employees a \$1,000 a year "signing bonus," in the contracts and resolutions approved on December 15, 2020. This "signing bonus" is code for 'health insurance premium offset. So, where's ours????? Call the Administrative office and complain (831) 636-4000. It probably won't do any good but you might feel better 😊.

Legislative Report

Mandy Rose, Legislative Chair

First off, I would like to echo our President's comments about hoping you are all safe and well. As COVID 19 continues to drag on, vigilance and perseverance is called for by each one of us.



CALIFORNIA RULE REMAINS IN TACT

I am pleased to be able to report that a recent **California State Supreme Court** decision, keeps the *California rule* with regard to our pensions in tact.

In an article by Alexander Volokh, on August 13, 2020 (Reason Foundation), it is noted that the California Supreme Court upheld pension reform twice but left the '*California Rule*' untouched. The lawsuits in questions were brought against the 2012 Public Employees Pension Reform Act, Allow me to explain further:

" Over half a century ago, the California Supreme Court wrote that "modifications of pension plans are permissible only if they relate to the operation of the plan and are intended to improve its functioning or adjust to changing conditions," and "alterations of employees' pension rights must bear some material relation to the theory of a pension system and its successful operation" (Volokh, 2020)

Under the *California Rule*, the Courts use the following 'tests' to determine if a change is constitutional:

- 1) a determination if the modification imposes disadvantages on the affected employees
- 2) a determination of whether or not the disadvantages are accompanied by comparable new advantages
- 3) Is the change constitutionally permissible?
- 4) Is there a requirement to offset disadvantages with comparable advantages?

The first case dealt with 'air-time' in a suit brought by Cal Fire. The Supreme Court found that disallowing this benefit did meet the 'theory of a pension system and its successful operation and ruled against Cal Fire. The second case came out of Alameda County and Marin County at different times but on the same issue: pension spiking. Once again, and in August of this year (2020) the California Supreme Court held once again that disallowing spiking did meet the 'theory of a pension system and its successful operation.'

In other words, the Supreme Court rulings in these cases were found (by outside analysis) to be closing loopholes and preventing abuses and therefore not needing to meet the above noted four-part test. The rulings, to reiterate, walked around but did not touch the '*California Rule*.' The '*California Rule*', well, continues to rule

Treasurer's Report

Catherine Shaw, Treasurer

A story from Catherine back in the middle of October, that is still relevant today in the year 2020.....

We decided to take a road trip to attend the First Birthday #8 in Oregon. As we traveled up Highway 5 our chests felt pressed with the heaviness of the smoke all the way into Oregon. Our son is a fire captain and has been in the heat of the battles for 6 weeks. In fact, he was at fire camp going on 20 days while we were visiting. Unfortunately, he missed the birthday party, but I know he and his crew were much appreciated for their sacrifices.

We then drove over to the Oregon coast and actually sat on a beach or two, with a towel on the sand and a cup of coffee. We even put our feet in the water every day we were on a new beach.

Due to unforeseen circumstances with the husband, besides golfing, boating and beachcombing, I did a lot of shopping. I'm not a big shopper, but because of covid, I felt compelled to help out as many small businesses as I could in every small town we visited. I even met a lovely woman from Stockton, who had attended CalPoly and knew exactly where Prunedale was, and owned two adorable shops in Bandon, OR.

I must admit it was challenging to travel right now, but we didn't let the masks and hand sanitizers deter us from any of our adventures. I even sat in the local hotel at our last stop in Ferndale, ordered a martini, chatted with the bartender and other locals and thought to myself, there doesn't have to be a "new normal" (I personally hate that term) one just needs to be creative, safe and live the life one is given.

Bank Balance on 12/21/2020 is

Chapter Board of Directors

President: Margie Riopel mmriopel@aol.com (831)801-8306
Vice President: Elsie elsie.marshall@yahoo.com (831)801-6995
Secretary: Denise Thome thomehome32@yahoo.com (831)801-4757
Treasurer: Catherine Shaw catshaws@sbcglobal.net (408)804-2404

Board Meetings are scheduled in the months of January, April, August & November. Zoom meetings to be announced.

General Meetings are scheduled on the first Thursdays of the months of January, March, June, September and December. Zoom meetings to be announced.

Chapter Committee Chairs

Membership Committee Chair: Kim Hawk kim_hawk@sbcglobal.net, (831) 637-8662
Legislative Committee Chair: Mandy Rose normandyannrose@gmail.com, (831)801-1254
Health Benefit Committee Chair: Elsie Marshall Elsie.marshall@yahoo.com, (831) 801-6995
Sunshine Committee Chair: Laura Schipper lschipp@hotmail.com, (831)638-646