



Retired Public Employees' Association of California

SEPTEMBER/OCTOBER 2024



Welcome

New Board Members!

A message from our new President

RPEA Protests

CalPERS Board Decisions

General Assembly Report

Is Private Equity a Safe Bet for CalPERS?

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WELCOME LETTER FROM THE PRESIDENT

Dear RPEA Members,

It is with great honor and enthusiasm that I address you as the newly elected President of the Retired Public Employees' Association of California.

First and foremost, I want to extend my heartfelt gratitude to the outgoing board members: Rosemary Knox (President), Scott McGookin (Director of Public Relations), Thelma Lamar (Director of Health Benefits), and Area Directors Abe Baily, Kathleen Collins, and Lucy Lopez. Their dedication and leadership have been instrumental in the success and growth of our organization. We deeply appreciate their efforts in laying the strong foundation upon which we continue to build.

To our volunteers in leadership roles, I want to express my unwavering support and appreciation. Your tireless efforts and passion for serving our members are the heartbeat of this association. Together, I am confident that we will continue to foster a vibrant and supportive community where all retirees and beneficiaries feel valued and heard.

And to each of you—our members—you are the very essence of this association. We serve you, and your collective voice, experiences, and involvement make our community special. The board and I are here to listen, support, and ensure that our association thrives for all of us.

For those who would like to know more about me: I began my career as an Accounts Payable Clerk for Santa Ana Unified before moving to the Facilities Department, where I discovered my passion. Encouraged by an exceptional Supervisor, I pursued college courses and advanced up the management ladder reaching the Director level after earning my BA in Political Science from UC Riverside at age 40. I retired from paid public service in 2018 after winning election to the CalPERS Board. I served one term on the Board from 2018-2022.

Among my proudest achievements on behalf of retired public employees was halting a \$10 billion private equity investment plan that aimed to channel funds into high-risk ventures. Alongside a few board members, I helped expose the risks of these ill-advised schemes. With media support and public scrutiny, we succeeded in stopping the investment.

Another notable achievement was working with a narrow majority of the Board to overturn an Administrative Law Judge's decision that had denied an Industrial Disability Retirement to an injured Motorcycle CHP Officer. This rare reversal was driven by our commitment to fairness and recognition of the Officer's inability to return to duty.

As President of RPEA, I am dedicated to enhancing the well-being of our members. Your questions and concerns are vital to me, so please don't hesitate to reach out to askRPEA@rpea.com. Your input is essential, and I encourage you to share your thoughts with us.

Sincerely,



Margaret E. Brown



Margaret Brown
RPEA President

Our Commitment to you:

We are dedicated to being lifelong advocates for retirees, providing information that educates, informs, and empowers retirees to improve their lives.

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FIND RPEA ON:



RPEA PROTESTS CALPERS BOARD DECISIONS

by Al Darby

Nobody likes being a messenger of bad news but bad results for CalPERS members resulted from the September 2024 CalPERS Board and committee meetings.

Those bad results involve the following:

- A 10% premium rate hike in 2025 for the Long Term Care program with another 10% increase in 2026;
- Huge increase in CalPERS CEO compensation from \$778,000 in 2023, to \$1,200,000 in 2024;

Continued private equity (PE) focus and expansion by CalPERS, despite numerous reports about financial shortcomings of PE causing investors to seek discounted cash-out options. Also, resistance from general partners suggests that unloading these assets at a profit is becoming problematic.

While PE impressively outperformed public equity some ten years ago, current conditions in PE are much different and returns on investment (ROI) have declined significantly. CalPERS new Chief Investment Officer Stephen Gilmore appears committed to the current CalPERS PE program, one that reflects a belief that PE remains a strong investment category. As a result, CalPERS will continue its current PE program.

Gilmore mentioned that the private loan program will continue to increase from the current 3% allocation to 8%. This is a risky category and like any other PE investment, it is illiquid and selling off the loans and defaults can be problematic.

Public equities (stocks) markets have been 'bullish' since late in 2022 and appear to be stimulated now by Federal reserve rate cuts, that began in September 2023 and are expected to continue if inflation remains close to 2%

Intended cuts to public equities allocation by CalPERS from 50% to 45% to provide additional funding for PE, now appear even more misguided.

annually. Intended cuts to public equities allocation by CalPERS from 50% to 45% to provide additional funding for PE, now appear even more misguided. Usually during the period before 2008, the public equities allocations were in the high 50% range, and there were times when the CalPERS pension fund (PERF) was frequently more than 100% funded. The current PERF funded status stands at about 77%.

I made the following public comments at the September 18, 2024, CalPERS Board meeting on behalf of RPEA, that were related to the investment component of the CalPERS CEO evaluation used to determine the CEO pay and bonus:

“RPEA opposes a compensation increase for the CEO due to the following reasons:

- The 10-year average growth rate of 6.2% for the PERF is an underperformance of 80 basis points when compared to the average 7% return on investment of all U S public pension funds in the same period. The PERF growth would be about \$40B greater at the 7% average and funded status would be about 85% (see table on page 3).
- CalSTRS produced 8.4% ROI (return of investment) for the same period – it is 60% of the size of CalPERS, but it disproportionately outperforms CalPERS on a consistent basis.

- The Canada Pension Plan, which is about the same value of the PERF, produced 9.1% ROI over the same 10-year period.
- New York combined pension fund returns for the same period is 7% - these funds combined are about the same value of CalSTRS.
- Texas Teachers ROI was 7% in this period.
- Four, top, manager positions had ill-fated outcomes mostly due to poor vetting practices.

“Investment policies that diminished public-equity performance were partly responsible for that underperformance. This resulted from cutting the public equities allocation from 50% to 45% to accommodate private-equity investment that underperformed. It was also determined that U.S. stock holdings were underweight as were non U.S. stocks for several years, thereby reducing ROI in the bull market periods.”

I believe the outsized pay package awarded to the CalPERS CEO was partly due to the large pay package received by the CalSTRS CEO which was almost \$1,000,000. Investment performance at CalSTRS far exceeded that of CalPERS in the 10-year period ending June 30, 2024.

RPEA seriously questions the \$400,000 increase CalPERS bestowed on its CEO Marcie Frost – this is more than 50% above the 2023 compensation for her. With interest rates falling, we should look for strong stock markets gains in the near term along with better PE results and the overall economy improving.

Maybe, we are at the outset of a period of growth that will move the PERF closer to 100% funded – something we haven’t seen for almost 20 years, but possible if all allocations and the US economy meet expectations. The CalPERS investment team may want to take a closer look at CalSTRS and the Canada Pension system and learn their secret to success over the past ten years.

	Asset Value					
	(\$Billion)	Quarter	1 Year	3 Year	5 Year	10 Year
CALPERS PERF	\$ 502.9	1.4%	9.3%	2.8%	6.6%	6.2%
<i>CalPERS PERF Policy Benchmark</i>		1.8%	10.3%	2.7%	6.6%	6.3%
<i>Actuarial Rate</i>		1.7%	6.8%	6.8%	6.9%	7.2%
PUBLIC EQUITY*	\$ 210.6	2.2%	17.5%	5.2%	9.8%	8.2%
<i>Public Equity Policy Benchmark</i>		2.0%	17.1%	5.1%	9.6%	8.2%
PRIVATE EQUITY	\$ 78.2	3.5%	10.9%	9.5%	12.4%	11.0%
<i>Private Equity Policy Benchmark</i>		8.5%	25.4%	8.5%	12.9%	11.6%
INCOME*	\$ 148.9	-0.1%	3.7%	-3.9%	-0.1%	2.0%
<i>Income Blended Benchmark</i>		-0.2%	3.6%	-3.9%	-0.2%	1.6%
REAL ASSETS	\$ 66.4	-0.8%	-7.1%	3.7%	3.7%	5.6%
<i>Real Assets Policy Benchmark</i>		-2.5%	-11.9%	2.5%	2.5%	5.5%
PRIVATE DEBT	\$ 13.9	5.2%	17.0%	-.%	-.%	-.%
<i>Private Debt Policy Benchmark</i>		2.3%	13.5%	-.%	-.%	-.%
OTHER TRUST LEVEL	\$ 11.9					
TOTAL FUND FINANCING	\$ (27.0)					
TERMINATED AGENCY POOL	\$ 0.2	-0.2%	-0.8%	-5.5%	-0.1%	1.8%
CalPERS PERF PLUS TAP	\$ 503.1	1.4%	9.3%	2.8%	6.6%	6.2%

* The CalPERS PERF asset values shown include derivative exposure.

New CalPERS CIO Discusses Underperformance of Pension Fund

by Dev Berger

In the recent September 18th P&I News Alert, the CalPERS new CIO Stephen Gilmore explained “underperformance and filling alts allocation gap.”

Gilmore stated that CalPERS plans to “gradually increase” the \$519.9 billion pension fund exposure to private markets to a “new 40% target allocation from its actual investment of 30% as of June 30.”

Gilmore stated that CalPERS plans to “gradually increase” the \$519.9 billion pension fund exposure to private markets to a “new 40% target allocation from its actual investment of 30% as of June 30.”

Gilmore’s comments were made at the September 16, 2024, Investment Committee meeting.

This new allocation by CalPERS was adopted in March, four months before Gilbert joined CalPERS as the new CIO.

Gilbert said that the increase would give the fund “a wider range of the investable markets but less liquidity.”

Gilbert also addressed the pension fund’s fiscal-return underperformance that fell below its benchmark for the one, 10 and 20-year periods ended June 30. The fund was at 9.3% for the year ended June 30 and that was below its 10.3% benchmark. Why? Because according to Gilbert, private equity was no match for the “very strong performance of the equity market. . . where you’ve seen the large cap tech stocks do phenomenally well and you’ll find a lot of our peers and others lag benchmarks because of that.”



Stephen Gilmore
CalPERS CIO



Is Private Equity a Safe Bet for CalPERS?

by Daniel Synge

CalPERS invests a lot of its assets in private equity, which leads to two obvious questions: First, what is private equity?; Second, is it a good idea for CalPERS to invest so much money in it? The answer to the first question is fairly straightforward, though the second one is harder to say.

Most of the time, when individuals or institutions like CalPERS invest in “equities” (a fancy word for stocks), they do it by buying shares on the stock market. However, some businesses aren’t “publicly” traded on stock markets. In this sense they are “private.” When these businesses are bought and sold, usually almost all their stock changes hands at once from one owner to another. This is a private equity transaction. If a person buys a restaurant, they are engaging in a private equity transaction, though they typically don’t think of it that way. CalPERS doesn’t buy individual restaurants of course. Instead, they hire private equity firms who pool money from CalPERS and a bunch of other institutional investors to buy, manage, and sell a whole group of large private businesses on their behalf.

Private equity started as a niche part of the CalPERS portfolio but has grown to dominate it in terms of impact on returns and the portfolio’s overall risk. In the late 1980s, when CalPERS began investing in private equity, it comprised just 1 percent of CalPERS’ portfolio, but over time, that allocation has grown to about 20 percent. Again, the question worth asking is whether this dramatic bet on private equity is a good idea at this point?

During the early years of the private equity program, industry data supported CalPERS’ con-

clusion that private equity was a smart investment, delivering excess returns compared to public markets. Back then, data also suggested it was possible for CalPERS to identify which private equity firms would likely outperform. This belief justified the program’s early expansion. However, the investment landscape has changed dramatically since the 2008 financial crisis. Recent data indicates that private equity no longer consistently outperforms other asset classes on average. Additionally, even the top-performing, private-equity managers cannot be reliably identified in advance, making the quest for higher returns more of a gamble than a strategy.

One concerning factor is that private equity funds take a decade or more to show their true results. This extended timeline means that CalP-

ERS management can avoid accountability for their investment decisions for long periods, as the actual outcomes of their choices may not be fully known until many years later. This lack of timely feedback can create incentives for CalPERS management to continue favoring private equity, even when there is evidence suggesting it may not be in the best interests of beneficiaries. That is not to say that anyone is making an ethically compromised decision. But we need to be clear-eyed about the conflicts of interest faced by CalPERS employees.

Moreover, private equity managers engage in practices that CalPERS and other institutions have fought to limit in the public markets, yet they seem willing to overlook when dealing with private equity. For example, private equity firms charge very high fees, use aggressive leverage, and extract additional payments for themselves from the companies they own on CalPERS’ behalf. These practices can significantly

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(Continues on Page 6)

Is Private Equity a Safe Bet for CalPERS? (Cont.)

affect the profitability of investments, yet they receive far less scrutiny from CalPERS than similar practices in the stock market. CalPERS' tolerance of these behaviors raises questions about whether private equity investments are being managed with the same rigor and standards as other parts of the fund.

The CalPERS CEO who went to prison was bribed by a private equity firm

As former government employees, we should also be sensitive to the political influence peddling that private equity frequently involves. The CalPERS CEO who went to prison was bribed by a private equity firm. An elected state comptroller of New York and the elected treasurer of Connecticut were also both convicted of bribery by private equity firms and jailed. Four of the five last U.S. Treasury secretaries went to work for private equity firms immediately after leaving office.

As beneficiaries, it's essential to understand these dynamics. While private equity may promise high returns, the risks and lack of transparency involved call for greater scrutiny and accountability. RPEA will be closely monitoring CalPERS' approach to private equity to ensure that it serves the long-term interests of its members and does not expose the pension fund to unnecessary risk

CalPERS Report

by J.J. Jelincic

Long Term Care Rates Increased

The recent LTC settlement provided that CalPERS could not raise rates for a year. The year has passed. The Board of Administration on a unanimous vote approved a 10% increase effective January 1, 2024, and another 10% effective January 1, 2025. The law requires that LTC Partnership Plans have any increases phased in over three years, and this results in a 6.7% increase each of the next three years. The stated purpose was to avoid larger "unaffordable" future increases. Even with the two 10% increases there is a 44% probability of additional increase in the next five years.

The Board also adopted a new asset allocation for the LTC investments. The allocation has a lower risk profile and also a lower expected return. The new expected return is 5.48% down from 6.24%. It is worth noting that carrying expected return to two decimal points implies an unreasonable degree of certainty.

Marcie Frost Pay increase

The Board approved, again unanimously, a 4% base pay increase for the CEO. Her base pay in 2023-24 was \$578,267 and is being increase to \$601,398. Not a bad salary for running a 3,000-employee state agency. The increase was granted over the objection of RPEA. See Al Darby's article in this issue about RPEA's concerns.

Frost also received a \$667,320 bonus for 2023-24.

No Change to the Discount Rate

The Board decided to leave the discount rate unchanged. This means that the gain from the investment returns beating the discount rate (even while failing to meet the benchmark return) will ALL accrue to the benefit of the employer.

RPEA Cares About Retirees: State Budget Recap and Critical Legislation

by Dev Berger

This June, state leaders and Governor Newsom were confronted with a substantial shortfall while reaching a deal on the 2024/2025 state budget. Negotiations resulted in a mixed bag for California families. Although many essential programs were protected, continued resistance to significantly raising revenues and various financial maneuvers could hinder progress in future years helping all Californians thrive.

What is troublesome about the budget is how it relies on borrowing from future budgets and committing a higher percentage of future revenue growth to schools while only temporarily increasing revenues. If revenue conditions don't improve, these efforts could compromise sustainability of core programs and stall much-needed investments in the coming years.

So what actions can state leaders make next year and down the road for an equitable California? Well, state leaders will need to set funding and policy priorities helping all Californians share in the wealth they helped create. They also need to make certain state tax dollars are invested in areas of greatest need. Doing that requires bold approaches for public services and systems. Examples pointed out by the California Budget and Policy Center include:

- Raise revenues to boost tax fairness and invest in our communities;
- Provide ongoing, at-scale resources to increase affordable housing and solve homelessness;
- Close more state prisons to free up resources for critical services.

What many of us find disturbing about the budget is the difficulty seeing how the budget specifically helped older adults. Sure, you can find the California Department of Aging's budget, but knowing what specific improvements were done compared to the prior Governor's budget, that's a whole other matter. That isn't to say, for example, that the budget didn't address housing needs to a degree of low-income adults, or didn't address in-home-support issues that assist disabled adults. But if you want the big picture of improvements

RPEA's new president and board members want your voice heard in the California Legislature, at CalPERS, and across the state, and heard loudly and clearly.

showing changes and innovations, that proves difficult in relationship to older adult services and programs. It isn't just an issue of transparency either or bad reporting, it is a sign that older adults are not getting the attention they deserve in actual programs and services being developed and funded.

This has been a disturbing state-budgetary trend for some time now and saying California has kept pace with its growing older-adult population is highly questionable. Just ask county and service providers of older adult services and they will fill you in on the glaring shortages. By 2030, it's projected that one in four Californians will be an older adult. If we want to live well, older adults need to demand California takes actions ensuring they receive the support needed through appropriate state budgets.

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RPEA Cares About Retirees: State Budget Recap (Cont.)

It's worth asking questions about the diminishing attention by the state budget for older adults, who have their job cut out getting government to listen and care about retirement, pensions, healthcare, housing, transportation, and food insecurity needs. Yes, these impact everyone when you get down to it, but when it comes to the specific needs of older adults, there are crying needs.

Fortunately RPEA cares about retirees and older adult issues as shown by its legislative efforts. Here's a summary of this session's legislation and RPEA's efforts pertaining to them:

SB 1260 (Niello) – RPEA Sponsored bill - Would have created an Office of Inspector General at CalPERS to investigate malfeasance at CalPERS. Assembly Member Niello agreed to author the bill for RPEA, however, the bill garnered significant opposition from public sector labor groups and there was some question as to the constitutionality of the bill as it may have run afoul of Proposition 162. As a result, the bill did not move forward.

RPEA is not deterred and will continue striving for transparency and accountability for retirees and beneficiaries that receive a CalPERS pension.

AB 1246 (Ngueyn) – RPEA Co-sponsored bill - Public Employees' Retirement System - divorce after retirement beneficiary - It was news to many that if a CalPERS member divorces after retirement, they are unable, under current law, to add a beneficiary to their retirement if they subsequently remarry. AB 1246 will remedy that oversight. The bill was signed by the Governor.

AB 2207 (Reyes) – Supported by RPEA - State board and commissions: representation of older adults - Directs the membership of various advisory groups and bodies to include the Executive Director of the California Commission on Aging (Commission), or others who serve or advocate on behalf of older adults. The boards and commissions that deal with issues pertaining to older adults should be representative of the constituents they serve. This bill would require just that. The bill was signed by the Governor.

AB 1410 (Ta) – Supported by RPEA - Office of the State Long-Term Care Ombudsman - advisory council - Would require the Department of Aging to increase the 11-member advisory council that advises the State Long-Term Care Ombudsperson Program to 13-members. The bill died in the Assembly.

AB 2075 (Alvarez) – Supported by RPEA - Resident Access Protection Act - Would require each resident of a long-term care facility, as defined, to have the right to in-person, onsite access to visitors and health care and social services providers during any public health emergency in which visitation rights of residents are curtailed by a state or local order. The bill was held in the Senate Appropriations Committee.

AB 2200 (Kalra) – Opposed by RPEA - Guaranteed Health Care for All - Establishes the policy framework for the California Guaranteed Health Care for All program, or CalCare, a health care service plan, to provide comprehensive, universal, single-payer health care coverage and a health care cost control system for all residents of the state. RPEA opposed the bill because it contemplated consolidating Medi-Cal, Medicare, private insurance and the Covered California exchange into a single health insurance product (CalCare) provided by the state — without the constitutional protections that are essential to ensuring that an adequate, guaranteed supply of resources will be allocated to ensure its viability. As a result, it would have eliminated CalPERS health care for public employees and retirees. The bill was held in the Assembly Appropriations Committee.

SB 37 (Caballero) – Supported by RPEA - Senior housing tax credit - Establishes the Older Adults and Adults with Disabilities Housing Stability Program (OAADHS), administered by the Department of Housing and Community Development (HCD), to provide housing subsidies to older adults and adults with disabilities who either are experiencing or at risk of experiencing homelessness. The bill was vetoed by the Governor.

SJR 1 (Cortese) – Support by RPEA - Social Security Act - repeal of benefit reductions - Joint resolution petitions the United States Congress to enact, and the President of the United States to sign, legislation to repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act and instructs the Secretary of the Senate to transmit copies of this resolution to members of Congress. The resolution passed.

RPEA’s new president and board members want your voice heard in the California Legislature, at CalPERS, and across the state, and heard loudly and clearly. None of us can sit back and wait for someone else to act. It definitely takes a village. RPEA will work hard but it needs your help.

2024-2026 NEW & RETURNING BOARD MEMBERS

RETIRED PUBLIC EMPLOYEES’ ASSOCIATION OF CALIFORNIA		CONTACT
STATE PRESIDENT	MARGARET BROWN	President@rpea.com
STATE VICE PRESIDENT	AL DARBY	VP@rpea.com
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AREA DIRECTOR 9	VACANT	AD9@rpea.com

To speak to a Board member, please call RPEA HQ at (800) 443-7732

2024 General Assembly Report

by Nelly Van Lommel

We just completed the 2024 RPEA General Assembly (GA) at the Hard Rock Hotel in San Diego, and by all accounts, the conference was a success.

The President's Reception on Monday evening provided a rousing good time with great food options and the Mariachi Band playing a wide variety of music. That versatility encouraged a lot of dancing with excellent exhibitions of a variety of dance styles wonderful to watch. A good time was had by all.

Prior to the Monday evening fun and games, the Opening GA Session was convened by our outgoing President Rosemary Knox. She introduced the Color Guard that led us into the Pledge of Allegiance. Delegates were then briefed about the agenda and rules of the General Session.

The nomination process followed for statewide RPEA officers who serve for the next two years. All officer positions were unopposed. Those bolded below are newly elected:



President - Margaret Brown

Vice President - Al Darby

Secretary/Treasurer - Cathy Jeppson

Director of Legislation - Randall Cheek

Director of Health Benefits - J.J. Jelincic

Director of Membership - Elena Yuasa

Director of Public Relations- Tiffany Moran

Next on the program was our lobbyist Pat Moran, RPEA's representative from Aaron and Associates that has been our lobbying firm since 1978. This upstanding firm represents RPEA in the Legislature and other forums requiring professional political help for our pension and healthcare advocacy mission.

Completing the first day's formal program was Jose Luis Pacheco, a CalPERS Board of Administration member. He spoke about the structure of the Board and Committees and the duties of each component of the Board. There was a Q & A session following Jose's remarks in which RPEA delegates were able to learn more about the inner workings of the CalPERS Board and the Administration.

The second day of GA comprised various workshops and resolution-screening hearings. A broad array of topics were offered in the workshops and delegates availed themselves of many of the sessions. Topics in workshops included: Navigating the RPEA Website; How to Work with your Legislatures; Member Recruitment; Chapter Treasurers; Chapter Bylaws, AMBA Passport/Benefits; AMBA Senior Scams; Basic Sign Language; Social Media; and Importance of Volunteering. These meetings were well attended and delegates gained important knowledge about RPEA and their responsibilities in governance or their chapters.

Resolution-screening hearings were conducted for Resolution Numbers I and II. Number I dealt with changing the fiscal year to July 1 to June 30 – a common FY for non-profit organizations and conforms to the view of IRS on non-profit fiscal policy. It permits Audits to be every two years instead of every year as has been the practice until now. There was minimal opposition to this bylaws change at the hearing.

Resolution Number II enhances the ‘nominations from the floor’ process to ensure that the nominee is truly interested in the position and is qualified to serve in the statewide office involved. These jobs require the office-holder be proactive and fully perform duties in view of the fact that it is a volunteer position. It requires a commitment to devote the necessary time needed to fulfill the association’s expectations. This resolution received significant opposition and prompted the proponent to withdraw it.

The RPEA GA banquet was Tuesday evening and featured the music of Roman Palacios. His comedy, music and singing were stellar. Superb food and entertainment made for a relaxing night.

The third day of GA was devoted to resolution deliberations. The first resolution to change the RPEA FY produced very little discussion and was adopted with large support. The second resolution was formally withdrawn by the author. This concluded the resolution deliberations leaving only the agenda issue “Recognition” to be addressed.

The fourth day’s schedule to conduct election of officers wasn’t necessary because all nominees were unopposed, ergo, the election was unnecessary. Under these circumstances, a motion to adjourn the GA a day early was made with the provision that allowed completion of the final two agenda items: 1) Recognition of members who exceeded expectations and were awarded plaques for their exemplary service to the association; 2) Motion to declare the candidates elected by acclamation was passed.

The 2024 RPEA GA delegates voted for final adjournment and this made it possible for delegates to have more time enjoying San Diego, and the many features that make it a great destination for conferences, vacationers and tourists from around the world.





A fond farewell from RPEA Leadership at the GA in San Diego



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RPEA of CA - Retired Public Employees' Association of California



WHY VOLUNTEER?

This year, RPEA contributed more than \$2.7 million dollars in value to the economy. We know this because we ask our members to track their volunteer hours.

Volunteering means giving your time and abilities to aid others – which simply means giving back to your community, which our RPEA members do and keep doing.

Let's be honest, volunteers are the backbone of organizations. Nothing gets done by one person alone, and one way retiree issues are heard regarding community, government, health, budgets and anything else is through the voice and actions of volunteers.

So what benefits you when you volunteer? Plenty:

- Meeting new people/helping communities;
- Sense of purpose and happiness;
- Gaining knowledge;
- Great self-esteem builder;
- Improves your emotional/mental health and well-being;
- Improves brain function (for real!);
- Allows your voice to be heard on issues you care about.



Scan this QR code
to visit our website.

As already mentioned, this year, according to information RPEA tracks that is provided by RPEA members, our members contributed more than \$2.7 million dollars in value to the economy. Here's how RPEA tracks volunteer hours:

Go to www.rpea.com and select the volunteer tab to submit your volunteer hours. You can also click on the QR code with any smartphone to track your hours. We are proud of our RPEA volunteers' efforts and we share this with many.

RPEA thanks you for volunteering. As Erma Bombeck said:

“Volunteers are the only human beings on the face of the earth who reflect this nation’s compassion, unselfish caring, patience, and just plain loving one another”

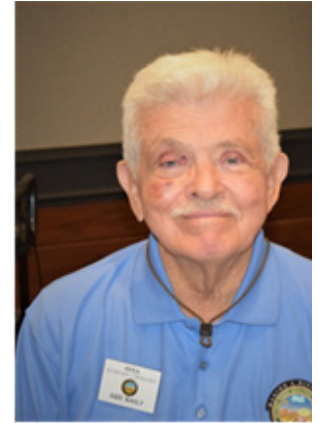
CORRECTION:

The original September/October RPEA Magazine incorrectly credited this Volunteer article to Dev Berger. We have corrected the online version of the Magazine.

Spotlight: Abe Bailey, RPEA Champion/Leader and Community Activist Extraordinaire

by Nelly Van Lommel

Abe Bailey joined the Retired Public Employees Association (RPEA) in 2002. Talk about dedicated, here are all the RPEA positions he has held: Area Director II; State Secretary/Treasurer(twice); Budget Committee Chair; President of Chapter 077; LAO committee member; IEC Legislative Subcommittee and Asset Management.



This September, Abe retired as Area Director 2 for chapters in Redding, Siskiyou, Southern Butte County, Chico, and Grants Pass. Abe always shared his belief in social responsibility as it translates to community service, and his wisdom will be missed by his fellow chapter members.

Here are some facts about our incredible Abe Bailey: He's an educated man having attended the University of California- School of Law, and ending up a professor emeritus at Chico State University.

These are just some of Abe's university-related achievements: was youngest Chief Student Personnel Officer to serve in the California University System; initiated programs like Cooperative Education; opened an institution-wide Student Learning Program; founded the system's first Disabled Student Services Program; and created and implemented the nation's student grievance process.

Abe was a volunteer for numerous community programs and service organizations which included the following: president of the Greater Chico Chamber of Commerce; founding board member (and later President) for a crisis intervention center; Community Access Television board member; a founding board member (Past President) for Boys & Girls Club of Chico; and past President of the Work Training Center.

The man who read graduates' names at Chico State commencement ceremonies for over 30 years was Abe. He was the public-address announcer for Chico State Athletics, and masters-of-ceremonies for numerous events throughout the community.

Abe has a natural flair about him and always has a smile while helping RPEA and his community. Now he and his wife Jacklyn are going on adventurous vacation trips and enjoying life.

All of us at RPEA wish him well and thank him for his commitment. He will be greatly missed.

What can we say...RPEA was lucky have him guide us for so many years. Good luck to you Abe, enjoy your life and keep in touch.

We hope to hear about all your new adventures.

Retired Public Employees' Association of California

Membership Form

SAFEGUARD YOUR PENSION

We are a community of active and retired California Public Employees, committed to safeguarding and enhancing the quality of life for our members by protecting and improving retirement, healthcare, and other essential benefits.

Join the Retired Public Employees' Association of California (RPEA) and enjoy the peace of mind that comes from being part of an organization dedicated to preserving your hard-earned pension and health benefits. As a member, you'll also gain access to exclusive discounts on benefit programs and supplemental insurance plans.

Membership is just \$5.00 a month – only \$60.00 a year!

SIGN UP TODAY TO ENJOY THE BENEFITS OF RPEA

Click on the QR code with your smartphone and join online.



First Name

Middle Initial

Last Name

Street Address

City & Zip

()

Phone

Email

Select One Membership Type

- Retiree (CalPERS Annuitant)
- Beneficiary of a CalPERS retiree
- Affiliate (working for Public Agency)
- Associate (Supporter of RPEA)

Agency You Retired From

(for Beneficiaries, provide Agency of the CalPERS member)

I hereby apply for membership in the Retired Public Employees' Association of California (RPEA) and authorize the payment of dues by selecting one option below:

- I authorize RPEA to withhold dues in the amount of \$5/month from my monthly CalPERS retirement allowance. I understand that dues will be withheld from my retirement allowance until revoked by me in writing.
- CREDIT CARD AUTHORIZATION: As payment for the first year's dues, I authorize \$60.00 to be charged on my credit card for Retiree, Beneficiary, or Supporter membership. \$30 for Affiliate membership. I will be billed annually for subsequent renewals.

Card Number

Exp. Date

CVV/CVC

Auto Renew

Social Security Number

Signature

Date

In compliance with California law, RPEA is required by the California State Controller's Office to collect your Social Security Number (SSN) for membership enrollment. Your SSN remains confidential and will be used strictly for membership purposes.

Ask RPEA

School District Retired Annuitant Issue

In early June, RPEA received a call from a distressed, retiree, school district classified employee. Many retirees who worked as substitutes in the district received a letter announcing they could no longer fill temporary substitute positions as Retired Annuitants (RAs). This new policy was particularly upsetting since many retirees rely on short-term substitute work to supplement their income.

RPEA quickly intervened. It discovered that the issue stemmed from outdated guidance that has been corrected now. Previously, CalPERS had informed contracting agencies that school employers could not use RAs in vacant, interim positions according to Government Code 21221(h). However, since school districts typically do not qualify as contracting agencies under the Public Employees' Retirement Law (PERL), this section does not apply to them.

The relevant government code for this situation is actually 21224. Under Government Code 21224:

Schools are permitted to use Retired Annuitants in substitute positions if there is a genuine need and efforts to hire regular non-retired employees have been unsuccessful; These appointments must be temporary, not ongoing, to avoid disrupting school operations.

Thanks to RPEA's advocacy with CalPERS, the school district issued a new communication clarifying that Retired Annuitants are indeed allowed to work as substitutes.

Do you have an issue requiring assistance? RPEA is here to help. Please reach out to us at askRPEA@rpea.com.

Circular Letter

TO: ALL CALPERS EMPLOYERS

SUBJECT: REQUIREMENTS FOR WORKING AFTER
DISABILITY RETIREMENT FOR A CALPERS EMPLOYER

The purpose of this Circular Letter is to inform employees of the requirements for working after disability retirement for a CalPERS employer.

Government Code (G.C.) sections 7522.56, 7522.57, 21212.5, 21227, 21229, 21231 and 21232, provide the requirements for working after disability retirement. A CalPERS disability/industrial disability retiree...

Important Reminder for CalPERS Members

The failure to report CalPERS member deaths has led to significant overpayments by the system, prompting CalPERS to contract with a third-party vendor. Unfortunately, the vendor's data was breached, exposing personal data of approximately 769,000 members. Many of those affected have yet to take action to safeguard themselves against identity theft, and RPEA strongly urges impacted members to do so.

Additionally, RPEA emphasizes the importance of reporting CalPERS member deaths directly to CalPERS. This crucial step helps prevent unnecessary overpayments from the retirement fund. If you need help reporting a death or updating a beneficiary, you should call CalPERS Toll Free at 888-225-7377. You can also scan the QR code below to notify CalPERS of a Death online.

We kindly request your assistance in spreading the word: notifying CalPERS promptly of member deaths is the crucial first step in identifying beneficiaries who may be eligible for benefits. Your support helps maintain the integrity of our retirement system. Thank you for your cooperation!



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Phone: (916)441-7732

Toll Free: (800) 443-7732

Office: M-F 7:30am - 4:30pm

Find the Plan That's Right for You

CalPERS Health Open Enrollment 2024 Starts September 16 and ends October 11

Shop health plans online at my.calpers.ca.gov



Your plan



Your cost



Your network

With your employer's approval, you can make health enrollment changes online through your myCalPERS account at my.calpers.ca.gov. Contact your personnel specialist or health benefits officer if you are interested in enrolling into or making a change to your health coverage.



SEPTEMBER/OCTOBER 2024