



RETIRED PUBLIC EMPLOYEES ASSOCIATION Chico Chapter 077

AUGUST 2021 NEWSLETTER

Mission Statement:

We are active and retired California public employees working together to maintain and improve the quality of the lives of our members by protecting and improving our earned retirement, medical, and other benefits. RPEA represents the rank and file retired public employees.

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Summer Greetings! We hope that you are having an enjoyable summer and staying cool. **Reminder: There will be no RPEA Chapter 077 meeting in August. Our next meeting will be an in-person meeting on Thursday, September 2, at Manzanita Place (Chico Elk's Lodge).** Our Chapter 077 will pay for lunch for this first meeting, and it will be strictly a social meeting with no official program. It will give us an opportunity to socialize with our RPEA friends who we've missed seeing during the pandemic. Please mark this date on your calendar, and plan to join us again after our long "dry spell" of holding in person meetings!

MESSAGE FROM ROGER KLAVES Area II Director (Email written June 28, 2021)

Greetings! Not much to report this month! Rebuilding continues in Paradise. Lots of houses in the rebuild phase. Hopefully, when the summer months pass and we move into September, we can start with face to face meetings again. CalPERS plans to add or replace an At-Large position on their Board. RPEA has endorsed Tiffany Emon-Moran for the position. She is prior law enforcement and an apparent whizz with numbers. You'll be getting information about her. This position was occupied by Jason Perez who resigned because he was offered a terrific position in his department, and he couldn't do both. Have a good Fourth of July! I hope to make it up to Yreka for their meeting on the 12th. *Roger*

LEGISLATIVE REPORT – By Mary Kowta

As I write this on July 18, I can only hope that when I reread this in August, the news will still be fresh. We remain somewhat safe from the Delta virus, our local landscape is unscathed by wildfire, and the heat has not totally baked the backyard garden as the tomato plant begs for more water. But, this is California, and the politics and the vegetation are subject to changes!

This year's last meeting of the State Senate Judiciary Committee on 7/15 yielded a notable success for RPEA. AB 386 was rejected by the committee after having passed the Assembly. This bill, known as the "CalPERS secrecy bill", would have permitted CalPERS to make private equity loans without public disclosure. Bad idea! The bill is now dead for this year. CalPERS does not exactly have a sterling reputation with regard to private equity dealings, yet always seems ready to dig deeper in this type of potentially lucrative investment. RPEA was quick to criticize the lack of transparency in this latest attempt and deserves our praise.

Other good news: The CalPERS Fund ended the fiscal year with 21+% investment returns. The fund is now close to \$270 Billion. The future economic picture may change, but this is encouraging in the short term. Some pundits say the economy has reached a peak and it will be downhill from here. Others say there could be substantial growth ahead if the pandemic slows and inflationary tendencies are controlled.

It is reported (Pensions and Investments, 7/16) that CalPERS now has a new timeline for hiring a new Chief Investment Officer. The search is about to resume, with March 2022 as a possible start date for the new CIO.

CalPERS has finally settled the long-term care insurance lawsuit without a trial, agreeing to pay up to \$2.7 Billion to policyholders to refund premiums and pay for other benefits. These funds are from the long-term care account, not from the investment fund.

As you know by now, Governor Newsom's Recall Election, is scheduled for 9/14. According to projections, this will cost the taxpayers \$215 Million. The cut-off date for prospective opponents was 7/16. Here are a few of the notables: Assemblyman Kevin Kiley; former Mayor Faulconer of San Diego; John Cox, businessman, former Governor candidate, and "bear promoter"; Doug Ose, former US representative; Caitlynn Jenner, celebrity; Larry Elder, talk show host; Ted Gaines, former State Senator; and several more. The only Democrat who is well known is Kevin Paffrath, realtor and You Tuber (never heard of him!). The fear among Newsom supporters is that because there is no Arnold Schwarzenegger in the opponent lineup, Democrat voters will not rally to the cause, thinking that the threat is minimal.

Meanwhile, Governor Newsom and the lawmakers have been occupied with the budget and new legislation. The budget framework which passed on June 30 was a record breaker, \$262.6 Billion! \$123.9 Billion goes to California schools.

(Continued)

LEGISLATIVE REPORT (Continued)

This will fund the transitional year of kindergarten for 4-year olds, more after school programs, summer sessions, free meals, needed equipment, and more. For the most part, these expenditures met with bipartisan praise. AB104 was signed by the Governor to address the lost learning that many students experienced during the pandemic. The bill provides for special grading options, re-taking a grade level, and extending time for completion of high school.

The Governor is expected to sign a \$6 Billion plan that the legislature has unanimously approved to build a Statewide open access fiber network to provide enhanced internet communication for homes and businesses. The legislature has approved a State-supported guaranteed income plan for some young people who are pregnant or recently left foster care. This would be the first such State-supported plan in the US.

Useful Info:
Need to call CalPERS?
888-225-7377 - M-F 8 to 5

Freaked out about Natural Disasters? (Aren't we all?)
California Office of Emergency Services
You can submit your address and learn about natural disasters that may threaten your area. <http://www.myhazards.caloes.ca.gov>

Mary

HEALTH BENEFITS REPORT – By AI Raitt

Health Plan Open Enrollment, Definitions, and Premiums.

Open enrollment takes place each fall, and in 2021 this will occur from September 20 - October 15. Changes made during this time frame will take effect on January 1, 2022. To view Health Plan Changes for 2022, retirees can go to: www.calpers.ca.gov/page/retirees/health-and-medicare/open-enrollment where details on health plans, service areas, and benefit designs can be found. (For those who like “visuals,” this site also includes videos showing how to complete the Open Enrollment process.) Important health enrollment reminders include: (1) Be aware that a medical group ending its contract with a health plan doesn't create a qualifying event to change plans outside of Open Enrollment. (2) ID cards are issued by each health plan, not by CalPERS. Contact your health plan directly if you need additional cards. (3) Carefully review your pay warrant to ensure the health plan premium deduction was made when you change health plans, enroll for the first time, or add/delete dependents.

CalPERS offers four plan types: HMO, PPO, EPO and Combination Plans. A Health Maintenance Organization (HMO) plan provides health care from specific doctors and hospitals under contract with the plan. You pay co-payments for some services, but you have no deductible, no claim forms, and a geographically restricted service area.

A Preferred Provider Organization (PPO) is similar to a traditional “fee-for-service” plan, but you must use doctors in the PPO provider network or pay higher co-insurance (percentage of charges). You must usually meet an annual deductible before some benefits apply. You're responsible for a certain co-insurance amount, and the plan pays the balance up to the allowable amount.

The Exclusive Provider Organization (EPO) plan offers the same covered services as an HMO plan, but you must seek services from the plan's PPO network of preferred providers. You're not required to select a primary care physician.

A Combination Plan means at least one family member is enrolled in a Medicare health plan and at least one family member is enrolled in a Basic (i.e. Non-Medicare) plan through the same health carrier. CalPERS requires all family members to have the same health carrier.

Health Plan premiums have recently been announced by CalPERS. Only those amounts for Medicare Supplemental plans will be reviewed here. Both PERS Care and PERS Choice plans have been combined into a single PERS Platinum Medicare Supplemental Plan and the PERS Select Plan has been renamed the PERS Gold Plan. The 2021 2-Party PERS Care premium of \$762.50 will go to \$763.88 in the new PERS Platinum Plan, an increase of 0.18%. The 2021 2-Party PERS Choice premium of \$699.94 will also go to \$763.88 in the new PERS Platinum Plan, an increase of 9.14%. The 2021 2-Party PERS Select premium of \$699.94 will go to \$754.82 in the new PERS Gold Plan, an increase of 7.84%.

There are far too many premium changes for other plans to review in this article; however, information about these figures can be found by using the link provided above. In the meantime, in this period cultural divisiveness, let's take responsibility as much as we can for keeping ourselves as safe and healthy as possible while maintaining concern for others.

AI

PRESS RELEASE RE: RPEA's DEFEAT OF AB 386

Abe Baily (RPEA Secretary/Treasurer) submitted a Press Release for the newsletter received by David Soares (Chair of the RPEA Ad-Hoc Committee regarding CalPERS Expert Issues) entitled “*CalPERS Secret Lending Bill Fails Under Scrutiny by Senators.*” However, due to lack of space in the August newsletter, this information has been included on the rpeachapter77.com website. Soares wanted this Press Release about AB 386 (Cooper) pushed out to all of our members through velocity, so make sure that you check it out on the website (Click on “*Legislative Information*” link.)