

UTLA-Retired Email Messenger 2017 Number 3

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January 20, 2017 UTLA-Retired General Assembly Highlights

UTLA-Retired President John Perez called the meeting to order and invited **UTLA President Alex Caputo-Pearl** to address the meeting. Caputo-Pearl focused his message on the importance of the upcoming School Board elections and the important role UTLA-Retired members play in getting a positive result. UTLA-Retired members can take a major role in the phone banking effort in addition to contributing to PACE. He also described the issues and concerns, including benefits, on the table for bargaining with the District during this limited-reopeners period.

John continued the meeting by leading the General Assembly in a singing of “Happy Birthday” in celebration of Loretta Toggenburger’s 90th birthday. After order was restored he began his report speaking about the anticipated actions from a national government that is 100% controlled by the Republican Party. Times will not be good for retirees and current actives. Medicare is among the major targets. House of Representatives Speaker Paul says he wants to make it a voucher program that does not have an inflation factor included. Such a plan would over time create a gap between health care cost and the amount of the voucher. Most likely we would pay the difference. He also named the Affordable Care Act (ACA) also called “Obamacare” as the prime objective of change or elimination. According to a just released Congressional Budget Office (CBO) ACA repeal would affect 32 million Americans or 10% of the nation. He additionally stated that Social Security “reform” is also a Republican top objective.

UTLA-Retired Treasure Mike Dreebin presented the UTLA-Retired Treasurers Report. The balance as of January 18, 2017 is \$53,826. The initial budget was based on an UTLA-Retired membership of 4308 members. He continued with a discussion of reimbursement policies and practices for those members who are selected to attend conferences as UTLA-Retired sponsored participants. He emphasized the importance of a timely submission of the reimbursement request on the appropriate form with the required documentation if they expect reimbursement.

Health Benefits Committee Member Loretta Toggenburger reviewed Health Benefits FAQ from the LAUSD Health Benefits Committee that also addressed the possible actions from the national administration. See attachments: (*HBC FAQ - Congress Dismantle ACA.pdf* and *HBC FAQ - Dependent Audits.pdf*) for detailed information. She also reminded members of the UTLA Staff members who are the best resources for help: Ed Kaz for Health Benefits concerns and Evy Vaughn for UTLA-Retired Events details.

UTLA-R Vice President Cecilia Boskin presented the *PACE Report* and reported that she had collected \$575 as of the time of her PACE report and that she has collected more than \$6000 from UTLA-Retired members total to date. UTLA-Retired members were also reminded that their continued participation in the UTLA political process is still vital and that UTLA-R member PACE contributions may be mailed to her at *Cecilia Boskin, 3547 Federal Avenue, Los Angeles, CA 90066*. She restated the call for UTLA-Retired member action to join the phone banking efforts. The effort is slated to begin on January 26 with hours on schooldays from 4:00pm to 8:00pm and weekends from 10:00am to 2:00pm.

UTLA-R Legislative Chair Mary Rose presented the UTLA-Retired Legislative Report. Her written report detailed CTA positions and updates on legislation passed and pending in the State Legislature. The status of retirement and senior-focused legislation in the State Legislature was highlighted and reviewed. See attachment: (*CTA Legislative Report.pdf*). She also called attention to the NEA Papers on the topics of Medicare and Medicaid for Seniors and Social Security from the national affiliate. See attachments: (*NEA Paper - Preserve Medicare and Medicaid.pdf* and *NEA Paper - Social Security Maintain Benefits.pdf*)

Action Items:

M/S/Passed: The UTLA-Retired General Assembly voted to endorse John Perez for re-election as President of the CFT Council of Retired Members and directed the UTLA-R Retired delegate and alternate to the March 2017 CFT Convention in Sacramento to vote to re-elect President John Perez.

UTLA-Retired members elected members for UTLA-Retired Steering Committee and the March 2107 CFT Convention in Sacramento and selected members from the General Assembly for participants to the March 2017 CTA-Retired Conference in San Jose and to the June 2017 NEA-Retired Conference in Boston. The voting results and selections are listed below.

UTLA-Retired Steering Committee members elected to serve a two-year term beginning July 1, 2017: **Susie Chow, Mary Rose Ortega, Darlene Arcadi, Hildreth Simmons, Miriam Schneider**

CFT Convention – March 2107 in Sacramento:

Delegate – Dr. Sandy Keaton

Alternate – Susie Chow

CTA-Retired Conference – March 2017 in San Jose:

Participants: Nancy Brashears, Patrick Arcadi, Jimmy Jones, Miriam Schneider

Alternates: Geraldine Haynesworth and Phil Pearson

NEA-Retired Conference – June 2017 in Boston

Participants: Bill Judson, Judith Klingbeil, Carolyn Albritton, Kristina Kleinbauer, Fay Shutsky

Alternates: Lorraine Butler, Renee Wells, Elaine LeBoeuf

Announcements:

- The UTLA-Retired Luncheon – “Spring is Almost Here !!!” is set for Tuesday, February 21, 2017 at The Cheesecake Factory at the Grove, 189 The Grove Drive, Los Angeles, CA, 90036. R.S.V.P. or for more information contact Eva Jean Giese. See attachment for details (*UTLA-R Luncheon 20170221.pdf*)
- **Voting in the elections for the UTLA-Retired Executive Officers is scheduled for the March 17, 2017 General Assembly meeting.**

Guest Speaker:

Jack Ehnes, CalSTRS Executive Director spoke about the recent, current and future status of our State Teachers Retirement System and answered written general benefits questions submitted by meeting participants.

Highlights Of Points Presented:

- Our service retirement benefits are on a sound foundation currently and for the future
- The Market is stable and good
- The State has a budget plan in place
- Research from University of California, Berkeley shows that for the vast majority of teachers, the California State Teachers' Retirement System Defined Benefit pension provides a higher, more secure retirement income compared to a 401(k)-style plan
- Currently there are attempts by several political entities to reduce benefits for those still active but court rulings have upheld that these cannot be altered because of contractual obligations at the time of hire for current employees
- For new hires is the imposition of reduced benefits is a possibility
- The MyCalSTRS website will be updated in the near future, probably by March
- The second annual *CalSTRS 2014-15 Sustainability Report: Fostering a Secure Future* documents a framework CalSTRS developed to ensure its long-term viability as a sustainable organization
- On January 2, 2015, CalSTRS unveiled a new, dedicated Sustainability section on CalSTRS.com. The Sustainability site can be accessed by a tab near the top of the home page or directly by visiting www.calstrs.com/sustainability

The meeting was adjourned following the drawing for the flowers.

(Thank you to Emily Ettinger for selecting and bringing the flowers to the meeting.)

List of Attachments

CTA Legislative Report.pdf

HBC FAQ - Congress Dismantle ACA.pdf

HBC FAQ - Dependent Audits.pdf

NEA Paper - Preserve Medicare and Medicaid.pdf

NEA Paper - Social Security Maintain Benefits.pdf

UTLA-R Luncheon 20170221.pdf

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UTLA/R LEGISLATIVE REPORT- Submitted by Mary Rose Ortega

CTA's Positions and Update

Retirement

No Position

AB 1875 (Chavez) – Permits irrevocable trusts for disabled individuals to be established as an option beneficiary or annuity beneficiary for the Defined Benefit and Cash Balance program and that the beneficiary would be the designated beneficiary regarding determining eligibility of benefits. **Chaptered**

AB 2283 (Calderon) – Requires that, prior to investing or reinvesting in securitized home rental properties that are single-family homes in California used as rental properties, the Teachers' Retirement Board and the Public Employees' Retirement System's Board must evaluate their investment to ensure certain requirements are met, including that that property management group is in compliance with fair housing laws. April State Council. **Failed in the Asm. PERS Committee on 4-20-16.**

AB 2348 (Levine)- Authorizes the Department of finance to identify infrastructure projects in California that it could guarantee a rate of return on which CaiPERS could invest in through the new Reinvesting in California Special Fund as a continuously appropriated fund. April State Council. **Vetoed**

AB 2844 (Bloom) – Requires that a person who submits a bid or proposal to enter into, or renew a contract with a state agency in the amount of \$100,000 or more must certify that they are in compliance with the Unruh Civil Rights Act and the California Fair Employment and Housing Act and that any policy they have adopted again any sovereign nation or peoples recognized by the U.S., including Israel shall not be used as a pretext for discrimination. **Chaptered**

SB 1352 (Sen. PERS) -The annual CaiSTRS technical housekeeping measure. April State Council. **Chaptered**

SB 1353 (Pan)- Clarifies that the state contribution that the Teachers' Retirement Board has the authority to adjust beginning in 2017-18 for fully funding the CaiSTRS Defined Benefit Plan will be applied to eliminate the shortfall consistent with AB 1469 (Bonta 2014). **Chaptered**

Watch

AB 2650 (Nazarian) – Prohibits CaiPERS and CaiSTRS from making new investments or renewing existing investments in Turkey within one year of the passage of federal legislation imposing sanctions on Turkey. April State Council. April Interim. **Failed in the Asm. Appropriations Committee on 5-4-16.**

SB 1297 (Pan) -Allows public employers to collectively bargain the automatic enrollment of employees into applicable 401(k), 403(b) or 457 plans. NEG is secondary. April State Council. **Failed in the Senate PERS Committee on 4-19-16.**

Support

AB 736 (Cooley)- Allows the Teachers' Retirement Board to set the compensation for the chief operative officer and the chief financial officer. January Council. **Chaptered**

AB 1878 (Jones-Sawyer)-Increases the death benefit to school employees under the California Public Employees' Retirement System based on changes reflected in the All Urban California Consumer Price Index beginning on January 1, 2017. April State Council. **Vetoed**

AB 2155 (Ridley-Thomas)- Requires that community college collective bargaining agreements specify which courses are subject to the 875-hour requirement and which are not. CCA is Secondary. April State Council.

AB 2833 (Cooley) – Requires that new and existing renewed public pension system contracts with private equity fund managers, partnerships, portfolio companies, and affiliates make specific disclosures regarding fees, carried interest and expenses with regard to limited partner agreements; Requires public pension investment funds to disclose the gross and net rate of return of each alternative investment vehicle at least once annually and requires this information to be obtained for existing contracts on or after January 1, 2017. April State Council-June Interim. **Chaptered**

SB 1234 (De Leon) – Creates the California Secure Choice Retirement Savings Investment Board with nine members including constitutional officials and appointees who shall design and implement a program to provide a retirement savings account program for private individuals and requires eligible employers that do not have retirement plans or accounts to have a payroll deposit retirement savings arrangement so that employees can participate in the Secure Choice Plan with managed accounts invested in United States Treasury securities or similar investments; allows the Board to adjust employee contributions up to five percent. April State Council -June Interim. **Chaptered**

Oppose

AB 1551 (Allen)-Would Create the California Israel Commerce Protection Act, which would prohibit state trust monies from making additional or new investment, or to renew existing investments in business firms that engage in discriminatory business practices with Israel. January Council. **Failed – no hearing**

AB 1812 (Wagner)- Limits retirement benefits for non-Social Security members to \$100,000 and \$80,000 for employees who participate in Social Security for new public employees hired after January 1, 2017-. **Failed in the Asm. PERS Committee on 2-25-16**

AB 2823 (Gatto)- Requires both the California State Teachers' Retirement System as well as the California Public Employees Retirement System to disclose alternative investment agreements in a manner that could impact their ability to invest funds on behalf of California's public employees. **Failed in the Senate PERS Committee**

HEALTH BENEFITS FAQ-
HOW WILL THE NEW CONGRESS DISMANTLE THE ACA?

UTLA provides this brief summary on the potential repeal or amendment of the Affordable Care Act and its impact on our District medical coverage. The following information was presented at the Health Benefits Committee's (HBC) first 2017 meeting, and contains information gathered from Segal Consulting's public sector benefits compliance news published by the Segal Company, HBC's healthcare consultant.

Will Congress be able to fully repeal the Affordable Care Act in 2017?

If Congress votes along party lines, Senate Republicans do not have a super majority of 60 votes needed to overcome a filibuster by Democrats. This means a full repeal may not come to a vote.

How will Congress move to dismantle the ACA?

Through a process called budget reconciliation, a process that the Senate cannot filibuster, Congress, by a simple majority vote, can repeal the sections that fund the ACA. Of ACA taxes and expenditures, the following are most at risk for repeal: the individual mandate (penalty for not having health coverage), employer mandate (employer penalty for not providing healthcare), subsidies to individuals to purchase coverage from state/federal exchanges, the risk-stabilization program (funding to mitigate insurer risks for insuring very ill individuals), Medicaid expansion, tax credit for small businesses, Medicare taxes for high income individuals and on investment income and others, and the 40% excise tax on high-cost plans. This latter tax has already been delayed to 2020, but according to Segal, could be repealed entirely.

Are there provisions that are likely to be safe from repeal during budget reconciliation?

Yes. They include coverage for adult children to age 26 and bans on the following: excluding individuals with preexisting conditions, annual lifetime dollar limits on "essential health benefits" (10 services), retroactive termination of coverage, waiting periods more than 90 days, among others. Other protected areas are applicable to nongrandfathered plans (District plans are grandfathered) and include the requirement of: free preventive services, cost-sharing limits, revised appeals process/review by an independent review organization, and a few others. Because budget reconciliation only deals with discretionary spending, mandated programs like Medicare cannot be touched. Thus, the changes to make Medicare more cost-efficient under the ACA remain in place.

Knowing that the repeal of specific funding of the ACA could result in millions of the newly insured losing their medical benefits, how will repeal of funding affect our District benefits?

The effects of defunding certain parts of the ACA may have little impact on our medical plans. In fact, many of the fees and taxes included in the ACA will go away and could lower premiums. While President-elect Trump has supported retaining universal access to health insurance and no exclusion of preexisting conditions, the Republican-majority Congress may remove ways to fund these provisions. The State of California, however, passed state insurance laws in 2010 that would preserve these provisions for the LAUSD plans, regardless of federal action.

In the immediate future there will be no changes to the benefits provided to active and retired employees of LAUSD.

HEALTH BENEFITS FAQ-
DEPENDENT AUDITS-A COST-SAVING STRATEGY THAT WORKS

How successful have the dependent audits been?

Benefits Administration began its continuous cycle of dependent eligibility audits in August 2013. Since that time, 15 audit phases, plus voluntary drops, have yielded the removal of more than 6,000 ineligible dependents, enabling the District to avoid nearly \$20 million in premium payments.

Will there be future audits?

Yes, because of the huge cost avoidance, the District will continue audits. Phase 17 begins February 1, 2017, and will target active employees.

What are some reasons that "ineligible" dependents remain enrolled in District health plans?

Dependents become ineligible for myriad reasons, including changes in marital status, step children from a dissolved marriage, legal guardianship, student status, death, emancipated minors, etc. The District is able to track certain events, such as children reaching age 26, but many other events, such as court orders and deaths, are known only to affected individuals.

My tax return lists me as the spouse, but this letter says to send the tax return showing my spouse as dependent. Will this be an issue?

No, Benefits Administration will look at the spousal relationship on the tax return.

I am divorced, but the court ordered me to provide medical coverage for my ex-spouse. I did not report my divorce because of this. Was this a mistake?

Yes, a divorced spouse, regardless of court order, is not eligible for medical coverage. To comply with the court order, you will need to pay for your spouse's medical coverage out of your own pocket. S/he may be eligible for COBRA coverage.

I provide support for my 12-year-old grandson and claim him on my tax return. Shouldn't this qualify him as a dependent?

No, your grandson does not qualify as a dependent simply because you claim him on your tax return. You must have legal guardianship of your grandson, which then qualifies him as a dependent.

I am requesting copies of my children's birth certificates and may need more time. Can I get an extension without losing benefits for children?

Yes, contact Benefits Administration and explain your situation to get an extension.

I forgot to inform Health Benefits Administration of my legal separation two years ago. Will I be billed for the two years I inadvertently kept my spouse on as a dependent?

At this time, there are no penalties for having carried ineligible dependents. However, potential consequences will be discussed in the future at a Health Benefits Committee meeting.

I do not want to divulge my personal financial information on the documents I submit. Can I black out that data?

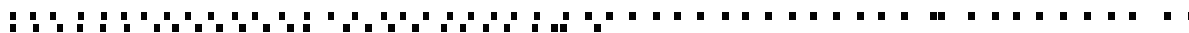
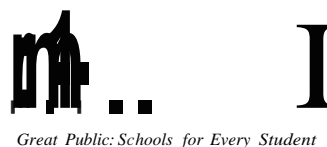
Yes, the District says you may use a black marker to hide personal financial data, as well as your Social Security number, on your tax return before submission.

What happens to the documents I submit?

Benefits Administration will retain an electronic copy of your documents, stored to ensure restricted access and security. The paper copies will be kept until the audit is completed and then destroyed.

For additional information, contact Benefits Administration at 213.241.4262

Preserve Medicare and Medicaid for Seniors



Congress should defeat efforts to slash Medicare and Medicaid under the guise of repealing the Affordable Care Act (ACA). More than 57 million seniors and people with disabilities depend on Medicare for their health coverage, and 9 million of them qualify for Medicaid as well- "dual eligibles" in such poor health they often live in nursing homes.

Slashing coverage, shifting costs

Speaker Paul Ryan has proposed a new approach to cutting Medicare that sounds a lot like the Affordable Care Act because it is.

- o Key features of Ryan's proposal include vouchers (or "premium support") that do not cover the full cost of health care expenses, limited subsidies for the sickest and poorest, and "exchanges" where private insurance policies would compete with traditional Medicare starting in 2024.
- o Low-income seniors could be forced to skimp on health care- for example, choose between paying the rent or having surgery.

Ryan has also proposed changing the current approach to federal funding for Medicaid to a "per capita cap" or block grant- a limited per-person amount or annual lump sum.

- o Either way, federal funding for people on Medicaid would shrink dramatically.
- o States would be forced to choose among cutting benefits, limiting eligibility, shifting costs to patients, or raiding education or other state programs to cover the federal shortfall.

Rep. Tom Price, the orthopedic surgeon nominated by President-elect Trump to serve as Secretary of Health and Human Services, has previously supported the following provisions:

- o Allowing doctors to charge more than Medicare permits and requiring patients to pay the difference, which is prohibited under current law.
- o Legal reforms that make it harder for patients to win malpractice suits against negligent health care providers.
- o Tax breaks to replace the Affordable Care Act's subsidies- for example, tax-free health savings accounts and tax credits for purchasing insurance coverage.

Other ways ACA repeal would hurt Medicare beneficiaries

Free check-ups and preventive services such as screening for breast cancer would end.

For seniors, reopening the Part D "donut hole" would mean big increases in prescription drug costs.

Deductibles, copayments, and the Part B premium would rise dramatically.

Social Security: Maintain Benefits, End GPO and WEP Penalties



Great Public Schools for Every Student

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To put Social Security on a firm financial footing, lift the cap on payroll deductions instead of cutting benefits. Congress also needs to eliminate the Government Pension Offset and Windfall Elimination Provision- inequities that deprive nearly 9 million hard-working Americans of benefits they have earned.

Raise revenues instead of cutting benefits

The Social Security Reform Act of 2016, introduced by Rep. Sam Johnson (R-TX), chair of the House Ways and Means Subcommittee on Social Security, takes a cuts-only approach to Social Security. Those cuts include:

- o Raising the retirement age from by two years (from 67 to 69)-the equivalent of a 7 percent cut, according to the Center on Budget and Policy Priorities.
- o Using new formulas that result in a variety of reduced benefits, including initial payments and annual cost of living (COLA) increases.

Lifting the cap on payroll deductions would provide sufficient revenue to keep Social Security on a firm financial footing-at present, no deductions are made for wages above \$118,500 or income from other sources such as stocks and bonds.

Address long-standing inequities

The Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) together deprive nearly 9 million hard-working Americans of Social Security benefits they have earned, including educators, police officers, firefighters, and other employees of state and local governments.

- o The GPO reduces, by two-thirds, the Social Security spousal or survivor benefits of people not covered by Social Security themselves-for example, an educator with a pension of \$900 per month and a spouse covered by Social Security loses \$600 per month, her entire Social Security benefit.
- o The WEP reduces, by up to 50 percent, the Social Security retirement, disability, spousal, or survivor benefits of people who work in jobs covered by Social Security and jobs NOT covered by Social Security over the course of their careers-for example, educators compelled to take part-time or summer jobs to make ends meet.

NEA supports the Social Security Fairness Act, which would fully repeal both the GPO and WEP.

While the Equal Treatment of Public Servants Act addresses some inequities perpetuated by the WEP, it also creates new winners and losers and fails to provide any relief for those affected by the GPO.

UTLA-Retired Luncheon

Spring is Almost Here !!!

Tuesday, February 21, 2017 at 1:00 pm

Cost: \$30 per person

Including tax and tip



The Cheesecake Factory at The Grove
189 The Grove Drive
(Near Third & Fairfax)
Los Angeles, CA 90036

Two Hours Free Parking
In The Grove Parking Structure with validation

Make your reservation no later than February 18, 2017
R.S.V.P. to Eva Jean Giese
8202 Raintree Circle, Culver City, CA 90230
Phone: 310-837-4197

Luncheon Menu Choices:

Select one (1) entrée

- **Herb Crusted Filet of Salmon**
- **Famous Factory Meat Loaf**
- **Variety of Pastas**

Return by U.S. Mail to Eva Giese, 8202 Raintree Circle, Culver City, CA 90230
*Make check payable to Eva Jean Giese or will accept cash at General Assembly meeting - **NO Refunds***

Name(s) _____

Your Contact Info _____

Entrée Choice (Circle your selection):

Filet of Salmon Meat Loaf Variety of Pastas Amount enclosed: \$ _____