

# REACTOR RAG

RETIRED EMPLOYEE ASSOCIATION CALIFORNIA TEACHERS ASSOCIATION

April, 2016

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## PRESIDENT'S PERSPECTIVE – Lloyd Roberts

**REACTA is moving forward on three fronts; communication, program, and fellowship.**

**We have attempted to build strong, positive communication with CTA, CSO, and CAS and I'm pleased to report progress on all three. Two meetings between representatives of CTA and REACTA have been held. By the time you receive this, we will have just completed a second meeting with the president of CSO. CAS couldn't make the second meeting.**

**We are fortunate enough in current resources to be able to offer scholarships to help the children and grandchildren of our members with education expenses. I expect additional resources to come in from our ranks as the program becomes more widely known. Support from direct giving will supplement the start we have made from our dues revenue.**

**A number of pre-1989 retirees reported problems with the implementation of the purchasing power adjustment program CTA funded for them and reached out for help. Our Organizing Committee delivered a letter requesting assistance and review of those affected for proper application of the program. Our officers also made phone calls to those affected and to the plan on their behalf. Errors have been discovered and restitution has been made.**

**Powerful anti-union forces in our society plan continued attacks on unions. Two recent attacks, one at the Supreme Court level and one at the State level have supported CTA and its members for now.**

**Recently REACTA members have offered help with circulating petitions to extend Prop 30. We have the memories and skills to help in various ways and are about the business of organizing to do just that.**

**Spring luncheon time is approaching and a social has already been held for Regions 4 and 3 jointly and one is planned for Region 1 and 3 & 4. In addition to these opportunities for organized fellowship, I know that various informal groups of members get together for a variety of good times. The joys of fellowship are a benefit to us all.**

**All these activities involve planning, communication and costs. The rewards stemming from our membership resources are great. They are the constructive product of the dues you pay for membership. Enjoy and take pride in it, and encourage others to share in the responsibilities and satisfactions. It's worth it.**

**REACTA Region 1 and Departments  
Annual Luncheon  
Thursday June 2, 2016  
11:30 wine and beverages  
followed by lunch**

**In the garden of John and Ruthmary Cradler  
777 Bromfield Road  
San Mateo, CA 94402-1114**

**RSVP to Debby Edginton:  
925-640-5550  
[debbyedg@aol.com](mailto:debbyedg@aol.com)**

**Location contact information  
Ruthmary Cradler  
650-344-7046  
[cradler@earthlink.net](mailto:cradler@earthlink.net)**

**Cost \$20 payable to Debby ahead or when you arrive**

### **Region 2 Spring Luncheon**

**Wednesday, May 18, 2016, from 11:30 am - 1:30**

**at**

**Ludy;s BBQ in Woodland, CA.**

**For more info, email Jeanne Akins  
at: [jakins60@yahoo.com](mailto:jakins60@yahoo.com) or call 916.991.5212.**

### **REACTA Spring Social Luncheon Region 3 & 4**

**Thursday, May 19, 2016 -- 11:30 AM  
at**

**Maggie's Pub  
11900 Telegraph Rd, Santa Fe Springs CA 90670**

**Please RSVP to Marilyn Bittle at [mmrbret2002@aol.com](mailto:mmrbret2002@aol.com) or  
phone 562/434-7113**

**REACTA DIRECTORY ADDITIONS  
and CORRECTIONS  
November 2015 - March 2016**

**New and Renewing Members:**

**Merri Boston**

740 Foxhall Ct, San Marcos CA 92078  
Cell: 619/708-8598  
Email: merriboston@gmail.com  
Associate Staff Retired: 2016  
Location: San Diego RRC

**William J. Davis**

507 Bill Poole Rd, Rougemont NC 27572  
Phone: 919/479-9595  
Cell: 919/630-3133  
Email: labor4evr@aol.com  
Professional Staff Retired: 2000  
Location: Fresno RRC

**Mike Ford**

PO Box 1674, Gilbert AZ 85299  
Cell: 480/254-9553  
Email: me4dz@aol.com  
Professional Staff Retired: 2013  
Location: Bakersfield

**Les Francis**

6300 30<sup>th</sup> NW, Washington DC 20015  
Phone: 202/362-3989  
Cell: 202/744-6822  
Email: lesfrancis@verizon.net  
Professional Staff  
Location: Santa Ana RRC

**Kenneth Parker**

7745 Larchwood Way  
San Diego CA 92120-1514  
Phone: 619/265-0316  
Email: Kenhparker@aol.com  
Professional Staff Retired: 2002  
Location: San Diego RRC

**Manuel Gomez Ramirez**

930 Mission Rd #40,  
South San Francisco CA 94080  
Phone: 650/873-2118  
Cell: 650/303-9351  
Email: manuel9525@att.net  
Associate Staff Retired: 2016  
Location: Burlingame

**Corrections & Additional Information:**

**Dennis Bambauer**

Email: s91616@awwwsome.com

**James Gutman**

21010 Wilderness Way  
Bend OR 97702  
Cell: 831/521-2684

**Raymond and Judith Hansen**

Email: judith.hansen@yahoo.com

**DECEASED**

**Savannah Sincoff**

## **Health & Welfare Trust Report**

### **Roseanne Becher**

At the CTA Employees' Health and Welfare Benefits Trust meetings in October 2015, and January and March 2016, customary reports were received from the Trust Consultant, Investment Advisor, Administrator and Committee Chairs. In addition, the Trustees were provided the "Draft" of the annual Audit and the results of the Actuarial Valuation as of 8/31/15. Also provided were updates and a summary related to the "Cadillac" tax on high-cost employer sponsored health coverage.

Most notable in the Consultant's summary of the Patient Protection and Affordable Care Act (PPACA) Excise "Cadillac" Tax, the effective date was changed from 1/1/18 to 2020. No earlier than 1/1/2020, the PPACA imposes a 40% excise tax on the "excess benefit" provided to an employee or retiree by any employer-sponsored health plan. The year the Trust will pay the tax may differ between groups of participants (Actives, Pre 65 Retirees, Post 65 Retirees, Retirees Combined, Actives and Retirees Combined). It will depend on how the final regulations allow employee and retiree groups to be combined.

Every three years the Actuary performs a full valuation of the Trust's Post-Retirement Benefit Obligation. This year's full Actuarial Valuation Report updates the expected future costs for medical, dental, vision, and prescription drug benefits. Taken into consideration were two recent major plan changes; the increase in the eligibility requirement from age 50 to age 55 for retirements on or after 10/15/14, and the increase in the service requirement from 12 years to 15 years, for members who retire on or after 8/31/17. These and the positive change in the interest rate used in the actuarial assumptions helped reduce the obligation. Even so, this liability to the Health Trust still exceeds \$300 million, and according to the Draft Audit, over \$150 million is payable for Current Retirees. Of course, if the Final Audit results in a change to this amount, a correction will be published.

As to the customary reporting by the Trust Consultant, Investment Advisor, Administrator and Committee Chairs, some of the highlights of their most up to date reports are summarized as follows:

- The Anthem Blue Cross Medical/Pharmacy utilization totals for the period September 2015 through January 2016 (for Retirees Only), exhibited a slight increase in the number of Retirees, but over a 15% decrease in "Expenses Paid" per retiree per month.
- Received at the January 2016 Trust meeting, the Investment Performance Analysis stated that for the fiscal year-to-date through 12/31/15, the investment return % was -.31% and the market value of assets was \$12,568,232.

## Health & Welfare Trust Report - continued

- In January, the Benefits Committee reported on "Pending Items" noting there will be further follow-up on comparative plan design and savings between CTA and CVT plans.
- A Spring Newsletter is to be distributed in April with emphasis on communication of Anthem Blue Distinction Centers; Best Doctors program; benefits contacts highlighting Earhart, Anthem and Kaiser for claims; and general wellness communications.

**If you have any difficulty with your coverage, or have any questions regarding the changes or the impact the changes may be having on your coverage, please call The William Earhart Company at the CTA-only toll free phone at 1-877-396-2942 or CTA-only phone at 1-503-460-5242. Please be sure to identify yourself as a CTA Retiree.**

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### **CTA EMPLOYEES' RETIREMENT TRUST MEETING** **Marianne McCarty** **Retirement Trust Liaison**

The Retirement Trust meeting took place on March 22, 2016. I attended the Budget Committee meeting before the general meeting, but, since the issue of the plan's zone status was discussed again at length in the general meeting, I will cover only that meeting.

At the general meeting, Josh Kevan of RVK stated that 2015 had been a disappointing year for investments. In 2015 the Plan suffered a loss but some of that has been made up through March of 2016. In order to keep the private equity portfolio, which has done well, near the target allocation of 5%, it was recommended that \$6 million be committed to private equity investments. This was approved by the trustees.

It was announced that the purchasing power adjustments for approximately 20 pre 1989 employees were overlooked. They have now been made whole and future adjustments will be done manually.

Discussion by the actuaries of the funding status of the Plan took up most of the balance of the meeting. The Plan has not reached 80% funding and the credit balance is trending down. If the credit balance is used up, the plan will go red in 2016. Because

## **CTA EMPLOYEES' RETIREMENT TRUST MEETING –continued**

the credit balance is a lagging indicator, it will only begin to recover after 2039. The Plan can elect to go into the red zone early so that a rehab plan can be designed. The status of the Plan must be reported next week. The actuaries are requesting that a vote be taken to decide whether to remain in the yellow zone for a year or to go immediately into the red zone where there will be the option to open up bargaining so a rehab plan that will increase funding can be developed. The plan status must be reported to Dept. of Labor by November and the trustees must adopt a rehab plan and notify bargaining parties within 30 days. A funding rehab plan would require funding to make up the deficit within 10 years. Retiree benefits cannot be touched but future benefits for active employees can be changed.

The actuaries are focusing on the benefit payment percent or the early retirement subsidy.

In the red zone, early retirement benefits can be cut going forward. In the red zone there is a contribution surcharge until a rehab plan schedule is set. This is to force bargaining. If the choice is made for an early red zone election, money can be saved by correcting the problem sooner. If the Plan remains in the yellow zone, no improvement plan can be developed.

The trustees voted to elect early red zone followed by notices to participants. The trustees recommended that early bargaining be opened to address the funding program and agree on a rehab plan.

The next Trust meeting will be held on June 21, 2016.

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### **Pension Trust Trustees Vote to Enter the "Red Zone"**

**Dom Summa**  
**Vice President**

The article by Mary Ann explains the action taken by the Pension Trust Trustees to enter the "red zone." A major reason for this deficit is the reduction in the projected return on investments of retirement trust assets. Those of us with IRAs may have experienced a similar problem in 2015! Our pension trust also entered the Red Zone in 2009 due to a significant drop in our investment earnings. A plan was developed and we exited the Red Zone.

Your REACTA officers have talked with CSO leadership and soon will be talking to CAS leadership. We sincerely hope the right steps will be taken to move us out of the Red Zone without affecting plan benefits. We will keep you informed.

**REACTA Scholarship Fund:  
Dom Summa  
Vice President**

Due to a lack of applicants, REACTA will not be awarding any scholarship funds this year.

The committee is disappointed and trying to determine why we did not receive any responses. We know that REACTA members have children, grandchildren or great grandchildren pursuing higher education and wonder why these relatives did not apply.

The committee will review the application process and make recommendations to the officers regarding any revisions to our program.

If you have any comments or suggestions, please send them via email to Dom at [dsummacal@aol.com](mailto:dsummacal@aol.com).

Thanks for your help!



## REACTA CALENDAR 2016

### Board Meetings:

Feb. 4, 2016  
April 7, 2016  
Aug. 2, 2016 Pacific Palisades  
Oct. 4, 2016 Cambria

### Committee Meetings

As needed and scheduled by Chairs

### REACTA/CSO Social, Pacific Palisades

UCLA Institute  
Wed, Aug. 2, 2016

### Bylaw Revision Vote

August, 2015

### REACTA General Meeting,

Cambria: Oct. 4, 5, 6, 2016  
Oct. 5: Program, Business meeting, and  
Banquet

### REACTOR RAG

Dec. 2015  
April 2016  
July 2016  
Sept. 2016

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**If you receive this newsletter by regular mail and would prefer to receive it by email, please let Dixie Ditsler know at: [ctadixie@aol.com](mailto:ctadixie@aol.com). Email saves money and work and you receive it sooner.**

## Membership – Strength in Numbers Linda Boitano

We hope your new year is off to a good start. Your friends and former colleagues join us in hoping that 2016 brings you happiness and success.

REACTA is designed to serve you. We all share an interest in building a strong organization that monitors and protects our pensions and retirement benefits by advocating for us and helping us stay connected with each other.

REACTA's membership continues to fluctuate due to a large number of cash payers. **There are 90 cash payers from 2015 who need to renew for 2016.**

The Membership Team has set a pool of 230 possible members for recruitment either to rejoin REACTA or to join for the first time. This pool includes cash payers from 2013, 2014 and 2015 who have not rejoined and retirees after 2008 who have never joined. Letters are being sent to these 230 colleagues. The Team will then begin personal contacts with the help of the Organizing Committee and our REACTA membership through an incentive program.

**If you are one of these, why not rejoin REACTA now and sign up for Payroll Deduction? That way, you won't be "bugged" every year for your renewal! A REACTA Membership form is attached.**

We are working on additional ways to increase our membership. Here's to a strong, vibrant organization.

### Membership Committee Art McLoughlin, Chair

Linda Boitano  
Dixie Ditsler  
Kathie Casas  
Margaret Wallace  
Marsha Wray

## **CTA Retiree Purchasing Power Organizing Committee**

Several years ago at a REACTA general membership meeting, a motion was passed to establish as an organizational goal to gain and maintain a PPL for CTA staff retirees of not less than 80% of that which they enjoyed at the time of retirement. In 2010, REACTA organizing efforts resulted in the achievement of that goal for a significant number, but not all, of those who had retired prior to September 1, 1989. Since that time, no further progress has been made towards the maintenance of an 80% PPL for those pre 9/1/89 retirees who were denied that benefit at that time NOR for any post 9/1/89 retirees. The question now is: "should REACTA continue to pursue that 80% PPL goal or should we simply 'drop it'"?

We recognize that not all retirees belong to REACTA and that even the information we have on members is incomplete. However, we offer the following garnered from the 2015 REACTA directory:

\*Eighty two (82) show up as having retired in 2007 or later. Since they are all still at over 80% of PPL, if the "goal" were achieved tomorrow, these folks would not receive any immediate adjustment. However, as the years go by, they would be sustained at the 80% level.

\*Fifty four (54) show up as having retired prior to 9/1/89 and many of them are now at 80% of PPL by virtue of the 2010 adjustment.

\*One hundred forty four (144) show up as having retired from 1990 thru 2006 and would receive ongoing adjustments ranging from 1.74% to as much as 16.37% of their retirement amount if the goal was achieved. Assuming a \$4,000 monthly retirement allowance, (higher than most former associate staff enjoy) this would amount to from \$69.60 to \$654.80 /month. As the CPI increases, further adjustments would be made in order to maintain the 80% level.

And just for the sake of argument, if the 80% goal is deemed unrealistic for immediate implementation, what about an interim PPL of say 70%? Keep the stated goal but at least take a step in the right direction and not allow those who retired from 1990 thru 2000 to keep slipping into the abyss of inflation.

It is acknowledged that the figures shown here do not take into account adjustments that have been made to social security benefits over the years (0% this year.) Most certainly they have mitigated the losses in the retiree purchasing power to a degree, but hardly by 30 % or more.

**Again, the question is whether or not REACTA should pursue an ongoing PPL arrangement. Your leadership would like to hear your opinion. Contact any of the Officers with your opinions.**

**REACTA – SEEKING THOSE  
WANTING TO HELP CTA**

**Lloyd Roberts  
REACTA President**

Dear REACTA Members,

REACTA has been in conversations with CTA regarding constructive ways we might work together. As a result, REACTA is seeking to compile a list of volunteers which we will provide to CTA. CTA will be able to share this information with their Regional Managers so they may make our resources known to staff in the event of urgent, priority work when needed.

If you are willing to volunteer, upon request, please reply to this by indicating your willingness to volunteer in: Membership Engagement, Political Action - or both.

Please provide us with your current address and a phone number which we can share with CTA.

Thank you for your consideration.

Contact: Lloyd Roberts  
berdolloyd@aol.com  
909-499-4388

Dom Summa  
dsummacal@aol.com  
760-972-4640

**MARK YOUR CALENDARS**

**REACTA GENERAL MEETING  
October 4,5,6, 2016**

**Cambria Pines Lodge  
Cambria, CA**

**If you want to have a great time, plan to come to the 2016 Annual General Membership Meeting. It will be in beautiful Cambria and old connections will once again be made in the beautiful location of the Cambria Pines Lodge.**

**You never know what excitement awaits you. You will be surprised by the connections you make, the love you feel and the friends who become even more precious to you.**



# Retired Employees Association of the CTA (REACTA)

## 2015 Membership Enrollment & Member Data for Directory

To join REACTA, please complete this form and return with a check OR a signed Payroll Deduction Authorization form to:

Art McLoughlin, REACTA Treasurer  
9540 S Century Oak Road, Salinas CA 93907-1125

-- Dues amounts and Deduction Authorization Request are on 2nd page of this form --

> ***If there is any information that you DO NOT WANT INCLUDED IN THE MEMBER DIRECTORY, PLEASE NOTE THAT BELOW!***

**Name :** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Email:** \_\_\_\_\_

--Please send newsletters/communications via email Yes  No

Telephone: \_\_\_\_\_ Cell phone: \_\_\_\_\_

Number of Years of Service with CTA and/or Affiliates: \_\_\_\_\_

Year retired: \_\_\_\_\_

Location of Office Retired from: \_\_\_\_\_

Position Retired from: (Examples: PCS, Bargaining Specialist, Field Services Specialist, Secretary)

### Position was:

- |                                          |                                             |                                         |
|------------------------------------------|---------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Associate Staff | <input type="checkbox"/> Professional Staff | <input type="checkbox"/> Management     |
| <input type="checkbox"/> Confidential    | <input type="checkbox"/> Supervisory        | <input type="checkbox"/> CTA Leadership |

OR I am the:

- Spouse/Domestic Partner of a Retiree
- Surviving Spouse/Domestic Partner (of a deceased former CTA employee)
- Divorced Spouse/Domestic Partner of a Retiree

Date: \_\_\_\_\_

*Use space below if necessary in responding to any of the above...*

**(OVER for Dues Information)**

## REACTA 2015 Annual Dues Amounts:

|                                                            |      |
|------------------------------------------------------------|------|
| Former Management, Professional, Supervisory or Leadership | \$60 |
| Former Associate Staff and Confidential                    | \$30 |
| Spouse/Domestic Partner of Former Staff                    | \$15 |

Please check one box:

I am RENEWING my membership    OR     I am a NEW member

⇒ **To pay dues annually, please mark the OPTION #1 box below and send your check made payable to REACTA with this completed form.**

**OPTION #1 - Annual Dues Payment**  
\$30.00 Associate and Confidential Staff  
\$15.00 Retiree's Spouse or Domestic Partner  
\$60.00 All Others (Professional, Supervisory, Management)

**OR**

⇒ **To pay dues by having the appropriate amount deducted from your monthly CTA Employees' Retirement Benefits Plan check, please mark the OPTION #2 box below, sign the Deduction Authorization below, and return the completed form.**

**OPTION #2 - Monthly Deduction from CTA Employees' Retirement Benefit Check**  
\$2.50 Associate and Confidential Staff  
\$1.25 Retiree's Spouse or Domestic Partner  
\$5.00 All Others (Professional, Supervisory, Management)

\_\_\_\_\_ **Signed Deduction Authorization enclosed**

### DEDUCTION AUTHORIZATION

**(For those selecting OPTION #2 above, only)**

I hereby authorize and direct the CTA Employees' Retirement Benefit Plan (herein "PLAN") and its agents, HSBA, to deduct from regular monthly pension payments due to me the regular monthly dues, fees, and assessments of the Retired Employees Association of the California Teachers Association, or any successor organization (herein "REACTA"), in such amount as may be established from time to time by REACTA and communicated by REACTA to PLAN or HSBA. The amount so deducted shall be transmitted to REACTA. This authorization remains in force from year to year until revoked or revised by me in writing.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Social Security Number

***Return completed form with check or signed payroll deduction form to:  
Art McLoughlin, 9540 S Century Oak Road, Salinas CA 93907-1125***