

REACTOR

RETIRED EMPLOYEE ASSOCIATION CALIFORNIA TEACHERS ASSOC.

January, 2015

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PRESIDENT'S REPORT

Fifty members had a fun, rewarding few days in Cambria. We received a brilliant report on health trust issues from Roseanne Becher. CTA is trying to reduce what they see as high costs and are trying to offset their expenses by cuts in coverage. Some aspects of plan changes have been implemented and others are in the works with unknown outcome. We'll keep you posted. Her report filled an hour and forty-five minutes of a spontaneous morning session, and enabled a shorter summary in the afternoon business meeting.

Our members are a very resourceful group. You should have seen the detailed slicing and dicing that occurred when the bylaw amendments were considered. We not only had lots of suggestions for improvement, but we managed to work our way through some pretty intricate parliamentary maneuvering, with Marilyn Bittle's help.

Connie DeCoud asked me to see if someone would be willing to replace her in doing the REACTOR. Calling for volunteers in a group is generally an exercise in futility, but I asked and received an immediate and enthusiastic response from Susan Popovich. The fact that she lives in Santa Fe, New Mexico will only be a small disadvantage given the modern social network capabilities we have available. Thank you, Connie, for your good work in keeping us in touch with each other.

I put Susan right to work when it came time to honor John Smith for his seven years of service to REACTA as Secretary-Treasurer, Treasurer, and President. She videotaped the announcement about it and the standing ovation we gave him so he can see and enjoy it even though he wasn't there. We also enjoyed a series of spontaneous John Smith stories.

We had 183 responses, for a 56% return on our survey, and, believe it or not, they just keep coming in. We owe Dixie Ditsler a big vote of thanks for tabulating all the information in an easily readable form which we distributed to all. We saw an excellent summary of the results which showed we value protection of the two trusts through the exercise of an advocacy position featuring good communication with ourselves and others. And speaking of communication, we plan to have an annual calendar before you soon, and it will show plans to return to Cambria on October 6-8 next year. Mark your calendars and make your plans. This year was a barrel of fun and next year should be better.

CAMBRIA - ANNUAL MEETING



Enlightening discussions!

**JOIN US IN
CAMBRIA NEXT
OCT. 6-8,
2015!!!!**

Catching up with work buddies!!

General Membership Meeting: Many Reasons to Attend

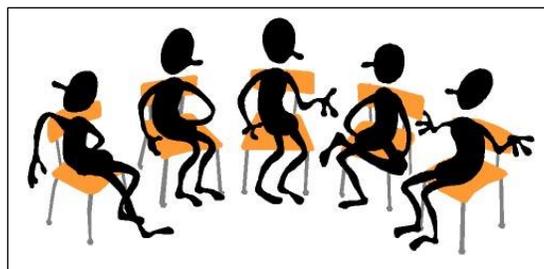
I believe that we can be divided into two groups around reunions: Those who like to attend their High School reunions and those who never attend. I'm not sure why I fit into the "attend" category, and both of my brothers are in the "never attend" classification. I think they are really missing out. I enjoy the memories and the fun, and the connections that continue to be really rewarding and heartfelt. Why do some people attend, and others don't? It's an interesting question to contemplate.

The REACTA General Membership is very much like a reunion - with a bit of business thrown in. It's a time to see people you knew, and those you did not know well. It's a time to get better acquainted and to connect in a different way than we did when we were all working. It's a time to remember what we did together, to tell stories (accurate or not) and to feel good about the connections and the accomplishments. It's a gentle time with no schedule, no worries, and no job stress hanging over our heads. It's a time that is based in the past, but connects us in the present and allows us to look forward to the future. Friends and colleagues are worth connecting with, for sure.

So, I hope to see all of you again at next year's Meeting in Cambria. October 6-8, 2015. If we each bring one person who did not attend this year, we could begin to fill that place up. We have a lot more REACTA Members who need to be encouraged to attend. This past year my big goal was to convince Kelly Horner to attend. I DID IT!!! Next year I want to make sure Del Gardner, Marlene Bell, Dick Sawtelle, Rosie Roberts and Carolyn Doggett are there. I was thrilled that Ramon was there even though he had been retired for less than a week. Let's set our sights on our friends, and with the new program committee that will be doing the planning, we should have one rip-roaring fabulous time!!

See you all in October!!

Marla Reyes



I Second the Sentiments of Marla Reyes!

This was the first year I have been able to attend the REACTA Annual Meeting. It was very beneficial for many reasons. I had the opportunity to see many friends that I had worked with during my years with CTA that I hadn't seen in years. "My....we all looked good!!" I was able to secure valuable information regarding the changes to our Health Benefits. And, it felt great to be an advocate again and to be just one of many in a room filled with many "great ones". I also agreed to become the Newsletter Editor and look forward to receiving information and pictures from you all.

I would urge many of the newer retirees to attend next year. Mark the dates of October 6-8, 2015 in your calendar right now. Set up a reminder in your phone for mid-August to register to attend when you receive the registration materials in the mail.

See you in Cambria next year!

Susan Popovich

HEALTH TRUST REPORT

Roseanne Becher

11/14/14

At the September 5, 2014, CTA Employees' Health and Welfare Benefits Trust meeting, the Trustees voted to implement the new 9/1/14 to 8/31/17 Collective Bargaining Agreement as it relates to health benefits (*The Tri-Partite Agreement*). "Plan Design Changes," "Retiree Eligibility" and "Employer Contributions" were included in the actions taken.

Some of "Plan Design Changes" adopted, effective January 1, 2015, are as follows:

- \$100 in-network/\$200 out-of-network (2x family) deductible for all charges except in-network office visits, preventative care and x-ray and lab when performed as part of the doctor's office visit.
- Out-of-network benefit limits (including dollar or visit limits).
- Removal of Accidental Injury Benefit.
- Reduction in dental benefits; calendar year dollar maximum for PPO to \$2,100 and non-PPO to \$1,600.
- Reduction in frame frequency vision benefits (once every 24 months).
- Reduction from a 34-day supply to a 30-day supply of Rx at retail.
- The Express Scripts, Inc. (ESI) Advanced Utilization Management Program for prescription drugs. Impacted members will receive advance notification from ESI.
- For Medicare-eligible retirees, the Employer Group Waiver Plan (EGWP)* through Express Scripts was adopted, effective June 1, 2015 (*Per the Tri-Partite Agreement, its an internal administrative change in how retiree's prescriptions will be reimbursed - does not impact retirees who make less than \$85,000 annually*).
- The reimbursement of only the basic Medicare Part B premium (*Per the Tri-Partite Agreement, participants who earn less than \$85,000 individually or \$170,000 per household will not be affected*).

"Retiree Eligibility" was impacted in the following ways:

- Effective October 15, 2014, the eligible age required to receive Retirement Medical Benefits changed from 50 to 55.
- Effective August 31, **2017**, number of years of service required to receive Retirement Medical Benefits changed from 12 to 15 years.

Beginning January 1, 2015, "Employer Contributions" from CTA and participating employers increased 8%, totaling 16% of gross payroll (including FICA) dedicated to providing retiree health benefits. The increase in contribution rate was contingent upon the Health Trust implementing plan design changes that create an estimated **\$1.2 million** annual savings (changes previously stated in this report). In 2001, the contribution rate was 2% and in 2006, with an agreement to achieve a cost reduction of \$630,000.00, the rate ultimately increased to 8%.

One of the pending actions for the Trustees involves the agreement to obtain three vendor bids for a "Standard" health plan, which is to take place by June 1, 2015. The impact of the change from our quality plan to a standard plan is not known.

Additionally, the agreement to modify the mechanism for addressing a drop in the Health Trust reserves if they fall below \$10 million was not discussed at this meeting. It should be noted, prior to the new CBA, CTA was responsible for increasing the funding in an amount necessary to maintain at least a \$10 million reserve. There was no requirement to modify, or cut benefits to restore the trust to \$10 million. Now, 50% of the deficit amount will be in modifications to the plan as determined by the Trustees.

The Plan Design Changes described in this report should have been provided to all the Plan Participants in a Summary of Material Modifications (SMM), no later than November 1, 2014. (**Be sure to read!**)

(Continued on page 5)

HEALTH TRUST REPORT (Continued from page 4)

*The Employer Group Waiver Plan (EGWP) was approved as part of the Tri-Partite Agreement. From the Health Trust EGWP Subcommittee, the following is the most up-to-date Enrollment Timetable:

- March 1, 2015 – Trust sends announcement letter to Medicare retirees. Express Scripts enrollment and customer support begins.
- April 1, 2015 – Express Scripts sends Pre-note communications to Medicare retirees. Medicare retirees are provided the opportunity to opt out in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines. Note: these participants have 25 days to Opt Out of the Program. Opting out does not allow you to stay in the regular plan. Participants that opt out can re-enroll at any time without penalty. **Read through the information from Express Scripts and be sure to reply within 25 days to opt out and to seek coverage elsewhere. There will be a designated 800# for participant questions.**
- May 5, 2015 – Express Scripts sends Welcome kit to Medicare retirees.
- June 1, 2015 – Initial effective date.

After June 1, retirees who age-in to the EGWP will be notified of enrollment and provided the same opt out guidelines.

Pre 65 retirees will remain in the regular program.

Much, much more information will be provided to Medicare eligible participants. The first notice has already gone out. Again, read through the information from Express Scripts.

Many thanks to Rosanne Becher for agreeing to continue to attend the Benefit Trust Meetings and continuing to keep us informed of the changes taking place with the Benefit Coverages. The *REACTOR* and the REACTA website will continue to keep you abreast of the changes taking place.

The REACTA website (<http://reacta.org>) has a link to the CTA – CSO TRI-PARTITE Agreement should you wish to read the actual agreed upon language.

We have already received the ***Summary of Material Modification, Issued September 1, 2014***, that outlines the important changes to the California Teachers Association Employees' Health and Welfare Benefits Trust. You may download the document from www.wcearthart.com (requires registration) or you may contact the William C Earhart Company, Inc. at 877-396-2942.

The question was asked at Cambria, "Aren't our health provisions fixed for life at the time of our retirement?"

The answer is, "Yes, and No." We have health benefits fixed for life, but the exact provisions of those benefits change when changes are negotiated in the Agreements. The governing documents are the CAS and CSO Collective Bargaining Agreements. They have identical Articles which state in the relevant Retirement Medical Benefits provisions, "The LEVEL of health, dental, and vision benefits provided under the CTA Staff Retirement Plan shall be COMPARABLE (Emphasis added) to those benefits provided active employees, pursuant to ...this Agreement."

Yes, we continue to receive benefits, but, no, the exact provisions of those benefits change from time to time.

CHANGE TO MEDICARE PART B PREMIUM REBATE

The new CSO-CTA contract has a change to the Medicare Part B premium rebate which may affect some of you. For some retirees there are two parts of the Medicare Part B premium. The standard Medicare Part B monthly premium for 2015 is \$104.90. This amount is deducted from your Social Security monthly benefit and will continue to be reimbursed to you and eligible dependents by the Trust. For some retirees, the second part of the Medicare Part B premium is an income-related monthly adjustment amount based on your 2013 income tax return. This second part deduction ranges from \$42 per month to \$230.80 per month based on your filing status and monthly-adjusted gross income. In the past, by contract, the health plan rebated both parts of the Medicare Part B premium that were deducted from your social security check. Effective September 1, 2014 as part of the CSO/CAS/CTA tri-partite contract settlement, the trust will only rebate the base monthly deduction of \$104.90 for retirees and their eligible dependents. If you would like more specifics about how the Medicare Part B premiums are calculated, please go to the Health and Human Services website, <http://www.hhs.gov/news/press/2014pres/10/20141009a.html>. This change impacts all past and future retirees.

Some REACTA members think that the entire Part B premium rebate is a vested benefit and CSO-CTA could not legally change it. These members think CSO should file a grievance on behalf of each affected retiree. Ramon Romero and Diane Ross also think individual retirees should file and Ramon has drafted a grievance that can be submitted by each retiree who wants to participate. Ramon and Diane also believe that if CSO will not support the arbitration of retirees' grievances the retirees should file a lawsuit against CSO and CTA to recoup the full rebate. They are speaking to lawyers who are experts in this area about a legal opinion.

REACTA President, Lloyd Roberts, has been in touch with CSO President, Chuck King, and asked him to fully examine the merits of this issue brought forward by several retirees. The REACTA officers meet on February 5, 2015 and will further discuss this subject and consider our options. In the meantime if you want more information about the change in premium rebates, please contact Lloyd.

Dom Summa,
Vice President
&
Joe Colton



Election of Officers for 2015



Election ballots were counted December 2, by Margaret Wallace and Dixie Ditsler. A total of 328 ballots were mailed; 6 were returned as undeliverable. A total of 206 ballots were received. Twenty-eight were returned with no identifying name or address on the envelope so were not counted. A total of 178 ballots were counted with the following results:

President

Lloyd Roberts	168
Write-ins:	
Don Crawford	6
Maureen Keating	1
Dick Sawtelle	1

Vice President

Dom Summa	166
Write-ins:	
Lou Boitano	6
Dixie Ditsler	1

Treasurer

Art McLoughlin	175
Write-ins:	
Ramon Romero	3

Secretary

Marla Reyes	174
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Member at Large

Marilyn Bittle	171
Write-ins:	
Roseanne Becher	1

Congratulations to Lloyd, Dom, Art, Marla, and Marilyn!

REACTA 2015 BUDGET

Income.....\$15,000

Expenses

Executive Board.....6,000

Committees..... 600

Organizing.....1,950

Annual Meeting..... 900

Membership

Recruitment.....2,100

Newsletter/

REACTOR.....1,200

Other Membership

Communications.....1,200

Regional Meetings/

Luncheons..... 300

Website..... 200

Recognitions and

Remembrances..... 400

Miscellaneous..... 150

Total Expenses.....15,000

Note: Proposed expenditures are based upon projected income. A reserve fund of approx. \$35,000 remains untouched if expenditures remain as outlined and membership remains fairly constant and improves as retirements occur within CTA.

**Art McLoughlin
Treasurer**

Organizing Committee Report

Dick Sawtelle

COLAs vs. PPAs

REACTA members may recall that over the last several months our organization has had the establishment of a Purchasing Power Adjustment (PPA) provision in the CTA Employee Retirement Plan as a goal. This is as opposed to a Cost Of Living Adjustment (COLA) provision, a term that may be more familiar to most. So, what's the difference?

In general terms, if COLAs had been applied to the benefits made available through the plan, those benefits would have been adjusted either by percentage changes in the Consumer Price Index (CPI) as determined by the United States Bureau of Labor Statistics...OR by some other percentages determined through bargaining between CTA management and the employee unions. In either case, the adjustments would have served to offset, to some degree, the effects of inflationary increases in the costs of goods and services that normally occur in the U.S. economy. The aforementioned adjustments would have been applied to the benefits of ALL whether they had been retired for one (1) or thirty (30) years. COLAs were applied to CTA retiree plan benefits for many years. Dating back to at least 1962, COLAs of two percent (2%) per year were provided through 1988. Then they were increased to three percent (3%) per year and continued at that level through 1997. No COLA was provided in 1998, but one percent (1%) was granted in 1999 and two (2%) in 2000. Nothing since then!

Let us be clear. The foregoing is merely a statement of fact and is not to suggest a return to the good old days of the '60s, '70s, or 80's! Our overall retirement system is far superior to what it was in those days. However, had COLAs continued at the 2% per year rate, retiree benefits would have been adjusted upward by amounts ranging from 2% for someone who retired in 2000 to over 29% for one who was retired in 2012. (Remember what compounding does.)

REACTA's goal of a PPA level of eighty percent (80%), however, would establish a floor below which a retiree's purchasing power at the time of his/her retirement would not be reduced. Inflation would take its full toll in the first years of retirement, just as it has for all of us since the year 2000. But when the purchasing power of one's retirement plan benefits reached 80% of their level at retirement, annual adjustments would be made. As of January of this year (2014), this would require that adjustments be made to the benefits received by anyone who retired under the CTA staff plan in 2004 or earlier. (See the June 2014 Reactor) That would change when CPI numbers come out in January 2015. Please note: Nobody has suggested that these adjustments be retroactive

SO, THAT'S THE DIFFERENCE! And we hope you will agree that it is significant. While we believe there is ample rationale in support of the PPA concept, we won't go into it here and will leave that to future editions of the REACTOR.



2015 Organizing Committee

Seated: Marilyn Bittle and Lou Boitano,
Chairperson

Standing: Bob Perske, Gail Boyle,
L to R Jeanne Akins, Don Crawford,
Dick Sawtelle

Absent: Linda Boitano

CTA Region II Office
December 2, 2014

**REACTA DIRECTORY ADDITIONS
and CORRECTIONS
September - November 2014**

New Members:

Sharon Barry

1300 Quarry Ct #302, Point Richmond CA 94801
Phone: 510/237-6377 Cell: 510/417-5993
Email: sbarry3694@sbcglobal.net

Professional Staff Retired: 2003
Location: San Rafael RRC

Caryn Coss

26035 Dry Pond Rd, Clovis CA 93619
Phone: 559/324-8890 Cell: 559/269-6101
Email: nanacarync@gmail.com

Professional Staff Retired: 2014
Location: Fresno RRC

Dina Martin

184 Gates St, San Francisco CA 94110
Phone: 415/821-7748 Cell: 415/710-6794
Email: dinamartinsf@gmail.com

Management Staff Retired: 2014
Location: Communications - Burlingame

Ramon Romero

66 Banks St, San Francisco CA 94110
Phone: 415/641-9443 Cell: 415/264-9199
Email: ramon49r@aol.com

Professional Staff Retired: 2014
Location: Legal - Burlingame

Corrections & Additional Information:

Judi Brown

2871 Mace Rd, Camino CA 95709
530/344-9221

Yvonne Canty

4737 N Ocean Dr #161
Lauderdale by the Sea FL 33308

Ted Kostyshak

c/o Geoff Kostyshak
502 Grove Acre Ave, Pacific Grove CA 93950
Phone: 831/375-2206x218

Jack Osterhous

3152 W Morris Ave, Fresno CA 93711

DECEASED

Past Member
Dorothy Angelich
1922 - 2014

**Recognition and Remembrance
Cheer and Courtesy**

Please let us know about any REACTA members who are:

- ❖ Shut ins
- ❖ Living in care facilities
- ❖ Experiencing serious health complications

We would like to send an occasional card of cheer so be sure we have a current mailing address. We want our members to know that their Association is concerned about them.

(Continued on page 10)

Recognition and Remembrance Cheer and Courtesy

Obviously, we want to be informed in the event of a member's passing so that an appropriate remembrance can be offered on behalf of REACTA. Again, help us by providing the name, relationship and address of any person to whom condolences should be directed.

On a positive note, let us know when you or another member have/has achieved some new "pinnacle" in life that deserves an "atta girl/boy". We truly enjoy expressing organizational appreciation and pride on such occasions.

Send or call the needed information to any one of the following:

Kathy Casas

31404 Corte Mallorca
Temecula, CA 92592
Email: KCASAS@aol.com

Marsha Wray

527 Acacia Ave.
San Bruno, CA 94066
Email: marshaw@gmail.com

12/18/2014

A brief update on Dad, (Ted Kostyshak), from his son (Geoff). I apologize for the impersonal tone of this mass-mailing but I wanted to provide a prompt update.

He's had a tough year. In October 2014, after a bout with Pneumonia quite weakened him, he moved to a Residential Care home here in Pacific Grove (PG), where both my sister and I live. On Nov 4, 2014, he fell and fractured his hip. Though the fracture seems to have healed well, it further weakened him enough to necessitate him staying at Pacific Grove Convalescent Hospital (PGCH), a SNF (Skilled Nursing Facility) His physician determined that he would be safer there than either at my home (with some hired caregivers) or the Residential Care home.

His main immediate health issue is constant back pain, cause by multiple small compression fractures, for which no treatment is available:(He is on a regimen of strong pain relief medications. He is wheelchair bound, thus not mobile. But the good side is that his wonderful, loving spirit is strong, always concerned about others. It is great having him here nearby, as I visit 1-2 times daily, always enjoying his company. He quickly lights up when his visitors arrive, enjoying the conversations along with the simple presence of his family. If any of you are in the area, please feel free to visit him at PGCH, as he would absolutely love to see you.

We are looking forward to Christmas time, esp. because his hip has healed sufficiently to now enable him to have some 'home visits,' to hang out here at home with us. Dad can be reached by the PGCH residents' telephone, (831) 375-3532; they are supposed to bring the telephone to him. Alternatively, more reliable though perhaps less convenient for you, if you phone me, (831) 915-7074, then on my next visit with him I'll phone you and have him use my phone to talk with you. We may be getting him a cell phone there. His mailing address is c/o me:

Ted Kostyshak

502 Grove Acre Ave.

Pacific Grove, CA 93950

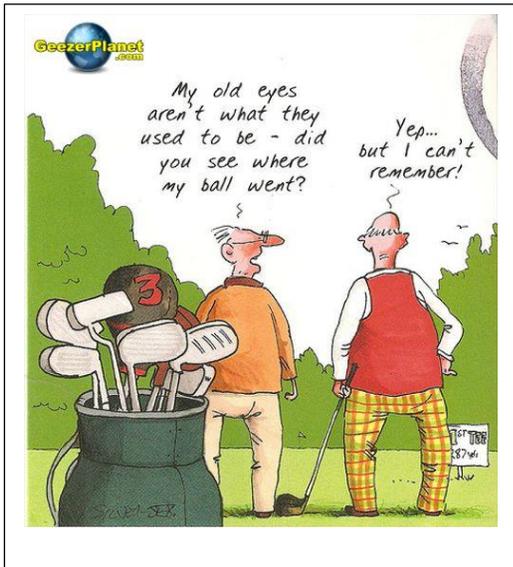




THANK YOU CONNIE!

Thank you Connie DeCloud for all you gave to REACTA as our newsletter editor. Your good work kept us in touch with each other.

It is never easy to take on the task of the Newsletter Editor and you did a great job.



REACTA Calendar

Executive Board Meetings:

February 5, 2015

April 13, 2015

August 13, 2015

October 6, 2015

REACTA Committee Meetings:

To be announced.

REACTA Annual Meeting

October 6-8, 2015

Cambria, CA

REACTOR Publication Dates:

**January, April, June,
and September**

**Deadlines for submission of
information/pictures:**

March 15, 2015

May 15, 2015

August 15, 2015

Dec. 15, 2015

Send information to:

susanpop@aol.com

