

# The REACTOR

Retired Employees Association  
California Teachers Association

May, 2019

## GOOD NEWS... BAD NEWS

By Dom Summa, President

REACTA fully understands that the Pension Trust Trustees have a fiduciary responsibility to ensure the financial stability of the trust. We have a strong interest in making sure the calculation of payments to retirees is accurate. Funds should be properly collected and disbursed for the benefit of retirees.

**Bad News...** Previous administrators of our Pension Trust were not exercising their responsibilities in a manner that preserved the assets of the Trust. As a result, we have the current situation where three retirees are being asked to repay "overpayments" that were made for as long as ten years! Numerous attempts have been made to convince the Trustees and their new plan administrator to act in a more humane way in dealing with the mistakes of previous trust administrators. On advice of their legal counsel, the retirees were not permitted to even present their concerns to the Trustees. We have not even confirmed that the Trustees are taking action against their previous administrators to recover funds that were mistakenly paid to retirees. Legal issues such as the number of years you can go back to calculate an error and the maximum amount you can reduce a pension check are still unresolved. REACTA will continue to support these retirees in search of a more amicable solution to their dilemma.

**Good News...** A week ago, I received an email letter from the Pension Trust's legal counsel stating the Board recently discovered that five (5) surviving spouses of retirees who retired prior to September 1, 1989 and were entitled to an annual Purchasing Power Adjustment did not receive the adjustment in their benefit checks from 2015 to 2018. In addition, five (5) retirees who are entitled to the same Purchasing Power Adjustment did not receive the adjustment in their benefit checks last year (2018). The Trustees confirmed with the Plan administrator that all of these Plan participants currently are receiving correct benefit amounts, including the applicable Purchasing Power Adjustment that applied for all plan years to date. The Board asked their legal counsel to notify me that the underpayments for prior years will be repaid, with interest, to affected participants, as soon as administratively practicable, and that the Plan's actuary is working on calculations of the lump sum payments owed to these participants. Individual names were properly kept confidential so we don't know who was **(Good News Continue on Page 8)**

## INSIDE THIS ISSUE



New REACTA officers Felice Strauss, Marilyn Russell Bittle, Pam Bowen, Dom Summa, and Marla Reyes meet in Ontario CTA office.



REACTA member, Mary Lynn Brich's grandson wins \$2,000 scholarship from REACTA.

## CALENDAR OF EVENTS

**April 30** Region 2 Timber  
Creek Golf Course, Roseville

**May 6** Region 2 Elbow Room  
Bar and Grill, 731 W San Jose,  
Fresno

**May 9** Region 4 South Coast  
Winery, 34843 Rancho  
California Rd, Temecula

**May 16** Region 3, Chevy Chase  
Country Club, 3067 E. Chevy  
Chase Dr, Glendale

Region 1/ Headquarters:  
Ruthmary Cradler's House, 777  
Broomfield Dr., San Mateo

**June 30** REACTA Bar-B-Q  
CSO/REACTA Alice Clement  
House

**October 1-3** – REACTA Annual  
Reunion and Business Meeting  
at Cambria Pines Lodge



It is time to register for the REACTA annual meeting in Cambria. Registration form is included in this newsletter.

For those of you that would like to extend your stay and participate in a wine tasting tour, REACTA has organized a tour on Thursday, October 3.

The shuttle will pick you up at the Cambria Pines Resort hotel, take you to Tablas Creek and Peachy Canyon wineries for tasting and then lunch.

Tasting fees will be applied, but may be waived if you purchase wine.

The 4-hour tour requires an 8 person minimum. The shuttle cost is \$500 divided by the number of participants, plus the \$10- \$20 lunch, and possible tasting fees, thus more people will bring the cost down.

Please let Felice Strauss know no later than July 15 by filling out the registration form for the annual meeting.

The REACTA Book Club will meet once again at the annual meeting in Cambria, Oct 1-3. We will meet on Wednesday after breakfast. The time and place will be posted in the hotel lobby.

This year we will be discussing Rabih Alameddine's novel *An Unnecessary Woman*. She has constructed a celebration of literature, a miniature history of Lebanon, and most importantly the remarkable story of Aaliya, an unmarried, childless misanthrope, a translator of great novels, whose life slowly (and thankfully) takes the shape of the very kind of corny storyline she detests.

For anyone who has never participated in a book club, it is easy. Just read the book and join us for an interesting discussion among fans and friends. Join us even if you haven't read the book.

## REACTA MEETS CSO

CSO extended an invitation to REACTA to attend their annual meeting in San Jose. Vice President Marla Reyes attended this meeting and spoke about REACTA and invited them to join when they retired.

She also told them about the annual party sponsored by REACTA during the UCLA Summer Institute. Once again this get-together will be at Alice Clements house on June 30.

The invitation included CSO, CAS, and Mgt. If you know any future retirees, extend the same invitation.



Len Feldman and Don Hillman attend CSO annual meeting.



Vern Gettone, Alva Rivera and Jayme Merritt participate in group work.



Bruce Saathoff and Nicole Love take a moment from the annual meeting before Marla Reyes make REACTA presentation.

## REACTA EXECUTIVE BOARD RECOMMENDS BYLAW CHANGE

The REACTA Officers voted to recommend a bylaw amendment submitted by a member. This amendment will provide flexibility for general meeting dates, time and place. Membership will vote on the bylaw change at the October meeting.

### Article VII MEMBERSHIP MEETINGS

Section A. A General Membership meeting shall be held annually ~~Such meeting shall be scheduled to occur on a date during either October or November at a location to be determined by the Executive Board.~~ on a date and at a place to be determined by Executive Board or General Membership.

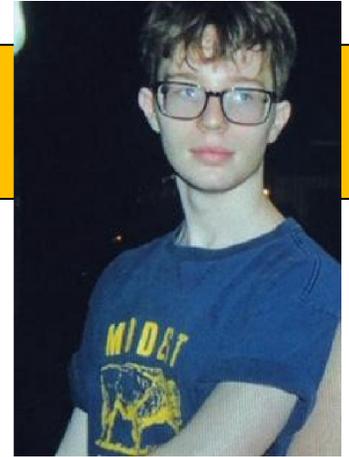
Section B. ~~Location of the General Membership meeting shall be determined by the Executive board. Convenience and centrality to all members shall be considered.~~ The date, time and place of the General Membership meeting shall be published approximately ninety days prior to the meeting.

Section C. ~~The time and place of the General Membership meeting shall be published in a REACTA newsletter to be mailed at least ninety (90) days prior to the date of the meeting. (Delete all)~~

Section D and E., re-number to C and D

## REACTA SCHOLARSHIP FUND

By: Marla Reyes, Vice-President



Brenden Rueb, grandson of Mary Lynn Brich, wins \$2,000 scholarship from REACTA.

- **College Transcripts**
- **Two Letters of Recommendation:** From non-related adults who know the applicant well in a work or academic setting.

One of the many benefits of being a Member of REACTA is that your relatives may apply for, and possibly win, a \$2,000.00 college Scholarship. This year we are extremely excited to be awarding two scholarships for the 2019-20 academic year.

Brenden Rueb, grandson of REACTA Member Mary Lynn Brich, and Lauren James, niece of REACTA member



Susan Carmichael Estes, are this year's winning recipients. Both will be receiving \$2,000.00.

The Scholarship Committee reviewed six completed applications. Those applicants who did not receive the award this year, are encouraged to apply again next year if they are still planning to attend college in the fall.

The process for applying for the scholarships includes the following elements:

- **Personal Data:** Gives the committee information about colleges, area of study, professional and educational goals, academic honors, memberships, distinctions, leadership, and financial need.
- **Essay:** Explains views on higher education beyond monetary gain and examples of commitment to public service.

When the Committee receives the applications, all names and references to relatives have been blacked out. Applicants are awarded the scholarship based on a judging rubric that is used for all applications.

When the Committee has judged and tabulated results, the REACTA Executive Board reviews the scores and makes a determination if there will be scholarships granted. The Ex Board does not know the identity of the applicant until after all decisions are made and voted upon.

As the Chairperson of the Scholarship Committee, I want to thank the Committee members for their service and time. Your work is an essential part of this process.

On a personal note, I want to commend the applicants this year. As I either spoke, emailed or texted them, all of them were extremely respectful, appreciative, and grateful to be part of the process. It leads me to believe that CTA Employees have good kids who have good kids, and there is hope for the future.



## REACTA MEMBERSHIP REPORT

By: Robin Rose

**Your REACTA Membership Committee has been working hard to recruit new retirees.** This is accomplished by a combination of written invitations, emails and personal interaction. Please welcome our newest members recruited since our last Cambria Reunion. These members bring us to a total of 360 members, including spouses!

Elisa Gusdal	Gerry and Corey Fong	Rosie Roberts
Mary Ann Luckinbill	Len Feldman	Joseph Cusmano
Deborah Churchill	Debbie Diaz	Dick Gale
Gail Gregorio	John Kohn	John Stevens
Scott Postel	Cliff Kusaba	

**Our REACTA family is growing, however we have lost retirees along the way,** including Rose Eaton, Patricia Imperatrice, Galal Kernahan, Albert Skaggs, Ara Prigian, Sharon Bowman, and Hazel Stover. May these courageous warriors Rest in Peace. REACTA will remember their many contributions to CTA and to the members who they represented for so many years. Their lives and contributions will not be forgotten.

**Please help us find members who we have not been able to locate after several attempts.** If you know any of these folks or can shed a light on their status, please contact Robin Rose at [rmmcrose@gmail.com](mailto:rmmcrose@gmail.com) or 818/433-2778. Caroline Aroutinoff, Robert Asnard, Barbara Sproul, Eugene Putney, and Gregg Watson. Your assistance is very much appreciated.

**Finally, the following new retirees have not yet joined REACTA,** or have not renewed their membership for 2019. If you know someone on this list, please reach out and ask them to join. We are all recruiters.

Vernon Gettone	Diane Morte	Lynne Faulks
Mike Myslinski	Scott Day	Carolina Monroy
David Araiza	Debra Leonard	Diane Ross
Ken Burt	Betty Andrews	

**If you need a membership form or brochure, please contact one of the following hardworking members of your REACTA Membership Committee** and remember to notify REACTA with any change of address or contact information, including phone number, address, and email.

Region 1:	Maureen Keating, Theo Austin-Smith, Shirley Horn, Craig Nelson, Karen Ferrera
Region 2:	Joella Aragon, John Stevens
Region 3:	Robin Rose, Patricia Williams, Ginny Jannotto
Region 4:	Ann Adler, Gary Campbell, Merri Furler
UniServ:	Kerry Moriarty

# REACTA 2019 Income/Expense YTD Report

Submitted by Felice Strauss

			Projected	Actuals 2/7	Balance	Actuals 4/11	Balance
<b>Income</b>			<b>16,500</b>	498.75	11,516	1432.50	10,084
<b>Expenses</b>							
	Newsletter		<b>1500</b>		1500.00		1500.00
	Hot Topics		<b>50</b>		50.00		50.00
	Exec Board		<b>6000</b>	837.51	5162.49	49.50	5112.99
	Committees		<b>3000</b>	796.70	2203.03	1411.46	1588.54
		Trust		622.74		1237.50	
		Membership		173.96		173.96	
		CAS/CSO					
		Scholarship					
		Regional					
	Annual Meeting		<b>1000</b>		1000.00	366.64	633.36
	Website		<b>250</b>		250.00		250.00
	Mailings/ Directory		<b>700</b>	117.11	582.89	235.80	347.09
	Scholarships		<b>4000</b>		4000.00		4000.00
	<b>Total Expenses</b>		<b>16500</b>	2548.02	13951.98	3474.86	13025.14
<b>Check #s</b>				#1582-87		#1588-	
<b>Assets</b>			12/18/17	1/7/19		2/28/19	
	Convenience Checking		<b>32,827.29</b>	<b>42,032.57</b>	<b>49.50</b> check fees		
	Prime Checking		<b>10,895.88</b>	<b>1000</b>	Transfer in 9000	<b>10,000.80</b>	
	Association Savings		<b>30.00</b>	<b>30.00</b>	No change	<b>30.00</b>	
	<b>Total Assets</b>		<b>43,753.57</b>	<b>43,062.57</b>	<b>0</b>	<b>46,639.16</b>	



## REACTA TREASURER'S REPORT

By: Felice Strauss, Treasurer

Tax Form 990-N has been filed with and accepted by the IRS. BeneSys requested REACTA to fill out and return Form 5500 by a date certain. Receipt of form was acknowledged by BeneSys.

We have approximately 362 members. Felice is working closely with the membership committee and Secretary Pam Bowen to ensure accurate information.

The BOD discussed the presented REACTA 2019 Income/Expense YTD Report. Felice noted that we should easily make our income target of \$16,500. She added that we will probably go over expense projections in several of the committees but will be under in other areas of the budget. No revisions were requested at this time. We currently have \$46,639 in all of our accounts. The 3/31/19 FFCU statement came in too late to include in the report but showed our total accounts increased to \$48,153.

Ms. Strauss talked to BeneSys about the Social Security number on the enrollment form. BeneSys agreed that they could use just the last 4 digits so the new forms shall be revised.

Fiscal policies were recommended to the BOD regarding membership payments in the following areas:

- Change of payment from check to pension deduct
- New members signing up at Cambria
- Spouses of retired members who were not prior members of REACTA
- Felice will recommend other policies as needed.

Treasurer Strauss recommended Dom write a letter to Health Trustees regarding adding a REACTA postcard to their next all retired members' mailing. We need to get current home and email addresses. We have no other way to fix items that are returned. Mail for Eugene Putney and Gregg Watson are undeliverable and we have no way to contact either one of them because they are on pension deduct.

Felice gave an update on the REACTA Annual Meeting enrollment numbers. Final arrangements for the wine tour in Paso Robles are being made by Marla Reyes and Felice.

# RETIREMENT TRUST REPORT

BY: Alan Frye



The CTA Retirement Trust Board of Trustees met on March 25 in Burlingame.

Committee meetings are held prior to the meeting of the full board. The committees are, Investments, Benefits and Operations. At the full meeting the committees deliver their reports as to the purview of their responsibilities.

Investment Committee reported that for the 2018 calendar year the Trust experienced a loss of 3.32% on their investments. This loss was typical for most pension plans for the 2018 year. So far in the first quarter of 2019 performance has improved and continues to improve with a rising stock market but it should be noted that investment returns fluctuate.

The Investment Committee also reviewed their Asset Allocations and Capital Market outlooks.

The Operations Committee reviewed a number of documents related to the Legal advisor's retainer and the compliance calendar which outlines all the reporting dates for federal forms.

Benefits Committee reviewed the Zone Status of the plan and announced that the pre-retirement calculator would be active on April 1. So far, the calculator has some problems which are being addressed.

Following the committee meetings, the reports of the trust professionals were held.

The Trust Actuary reported the prognosis for the 2019 Zone Certification and the Valuation forecast. The plan was certified in the Yellow Zone (endangered) for 2018 and likely will be in the same Zone for 2019. However, the long-term prognosis will probably result in a Red Zone (Critical) in future years. More on this topic will be revisited after the June Meeting.

The other trust professionals, Attorneys, Auditor and Plan Administrator provided routine reports.

The next meeting is scheduled on June 11.

**(Good News continued from page 1)** ... impacted by this correction. Previous plan administrators did not communicate with REACTA on the disbursement of Purchasing Power Adjustments. I responded to the trust's legal counsel that we were pleased with the action taken by the new plan administrator. If you know any retiree that might be eligible for a PPA, please let me know. Thanks! Dom Summa



## HEALTH AND WELFARE TRUST REPORT

By: Roseanne Becher

### October 4, 2018 Trust Meeting

At the CTA Employees' Health and Welfare Benefits Trust Meeting held on October 4, 2018, the Trustees received the customary reports from the Trust Consultant, Plan Administrator and Committee Chairs with some recommendations for the Trustee's approval.

Here are a few of those recommendations from the Benefits Committee as approved by the Trustees:

- **Approved the ESI (Express Scripts) Rare Conditions Care Value Program (part of the Safeguard Program) for newly diagnosed members. Effective February 1, 2019.** Applies to actives, COBRA and early retirees only (no Employer Group Waiver Plan (EGWP)).
- **Approved the ESI SaveOnSP Specialty Program which modifies specialty drug member cost sharing to maximize drug manufacturer coupons which reduce member payments. Effective January 1, 2019.** Applies to actives, COBRA and early retirees only (no EGWP). This requires a change to the SPD via a Summary of Material Modifications (SMM).
- **Approved the consultant releasing a Request for Proposal for Pharmacy Benefit Management services.** Cigna bought ESI.

### February 5, 2019 Trust Meeting

On February 5, 2019, the Trustees of the CTA Employees' Health and Welfare Benefits Trust approved the following recommendations from the Benefits Committee and Budget and Investment Committee:

- **Approved Amendment One to the Trust Document and distribute the posting notice to participating employers.** The amendment is intended to clarify that eligibility for retiree health coverage requires 15 years of employer retiree health care contributions.
- **Approved to Direct Anthem that blood tests performed in a physician's office should be coded under lab and no deductible applies.** Currently, Anthem is using a diagnostic code for blood tests performed in a physician's office as a surgical procedure and applying a deductible.
- **Approved to adopt Amendment Two to modify Section XIV (B) of the Trust Agreement to include a monthly payment option for withdrawing participating employers in addition to the lump sum payment option to cover their withdrawal liability, effective January 1, 2019.** In the adopted memo from the Trust Attorney,

Amendment Two to the Trust Agreement changes how the retiree withdrawal liability is calculated. Also noted, that per the Participation Agreements, written notice of the Amendment will have to be provided to all Participating Employers within 30 days of its adoption.

### **April 9, 2019 Trust Meeting**

The CTA Employees' Health and Welfare Benefits Trust Auditor reviewed the Draft of the Audited Financial Statements as of August 31, 2018. During the Plan year, the net assets available for benefits increased \$1,399,017, while net Investment income decreased \$425,482. Additionally, due a variety of factors, including better information on the cost of benefits for over 65 year old participants, the total Post-Retirement Benefit Obligations fell by \$116,112,047.

The Benefit Consultant also reviewed the Anthem Blue Cross participant data for six months ending February 2019. Some of the utilization trends were as follows:

- ❖ Number of Active Employees are down 4%
- ❖ Number of Retirees are up 2%
- ❖ Retirees Medical/Rx Claims are down 5%
- ❖ Retirees Medical/Rx Expenses are down 4%
- ❖ Retiree Contributions for twelve months ending January 2019, are down 9%

The Trust Investment Fund as of February 28, 2019, totaled \$18,519,280. Which for the fiscal year, showed a loss of \$87,465.

The Trust Administrator reported that on January 31, 2019 the Trust's Total Assets were \$23,531,086.07 and the Net Income for the year to date was \$107,647.71. Trust participants total 1131, with 536 Actives and 595 Retirees.

*Since some of the information received was incomplete, the committee recommendations approved by the Trustees at this meeting will be reported after the June Trust meeting.*

The next Health & Welfare Trust meeting for the 2019 Plan Year is 6/21/19.

Please continue to follow the Trust report and read all communications from the CTA Employees' Health and Welfare Benefits Trust.

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.

## REACTA Officers

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## RELATIONSHIPS ARE FOREVER

By Margaret Wallace, Editor

Advocacy and camaraderie are alive and well in REACTA. It is reassuring to know that someone continues to watch out for us, the retirees, from the retirement and medical trust to communication on a regular basis.

The work that the Board of Directors and Committees members continue to do is greatly appreciated. "I am proud of all REACTA, especially Dom, and what he has done for our members whose pensions have been so severely impacted," said Felice Strauss.

The men and women with whom we worked have continued with their genuine appreciation and respect for their colleagues' work in REACTA.

I am flattered by your positive comments and emails regarding



this publication. It reminds me of wonderful comments from you when we worked side by side through very challenging times.

REACTA continues to make a difference because it is you.

### Committees

*Membership Team:* Robin Rose, Chair – Region 1, Maureen Keating, Theo Austin-Symth, Craig Nelson, Karyn Ferreira, Shirley Horn; Region 2, Joella Aragon, John Stevens; Region 3 and Chair, Robin Rose, Patricia Williams, Ginny Jannotto; Region 4, Ann Adler, Merri Furler, Gary Campbell; UniServ Units, Kerry Moriarty. *Pension & Benefits Oversight Committee:* Bill Empey, Chair - Felice Strauss, Clyde Williams, Jim Essman, *Board Liaison:* Marilyn Russell Bittle. *Political Education Committee:* Conrad Ohlson, Chair. *Health & Welfare Trust Liaison:* Roseanne Becher. *Retirement Trust Liaison:* Alan Frey. *REACTOR Newsletter:* Margaret Wallace, Editor. *Scholarship Committee:* Marla Reyes, Chair. *Nominations & Elections Committee:* Chair - Barbara DePrete, Ann Adler, Dixie Ditsler. *Web Site & Facebook:* Kathie Casas