



# The Peralta Retiree

April - June 2016

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<http://www.peraltaretires.org>

## From the President...

*by Debby Weintraub, PRO President*

Over the last several weeks, I have been busy trying to find volunteers to read essays for the annual \$1500 per student PRO Scholarships given to four deserving students - one from each of the four colleges. It has been both challenging and rewarding. It gave me an opportunity to communicate with PRO members and to appreciate some of the reasons I joined PRO: a desire to stay connected to the Peralta community, to my colleagues, my campus and the remarkable students that further their education through our community college system.

Most PRO members share my desire to stay involved with Peralta. However, many people I asked were unable to read the essays, which is what made the task challenging. But it is also what made the search for readers rewarding because I was reminded how wonderfully rich and busy the lives of Peralta retirees are now. People are traveling near and far to places such as India, Viet Nam, Turkey and Florida; doing volunteer work including reviewing other applications for students in competition for Peralta scholarships, taking classes and spending time with grandchildren- some that live within minutes and others that are far away. There are also those Peralta retirees who have to devote their time taking care of people who need assistance or who are themselves recovering from an illness or surgery.

As I contacted PRO members and got a glimpse into their busy days, I thought about how the pensions we earned as Peralta retirees have afforded many of us the chance to pursue our own interests and hobbies. We are also more confident about our health coverage because we have such strong retiree benefits. Certainly a core reason that PRO was formed was to be a watchdog organization to

pay close attention to Peralta retiree benefits as well as to stay on top of what was going on in health care on a broader level. It is definitely a reason I was eager to join and become active in the organization.

PRO Board members do a great deal of work in this area from attending the District's Benefits Committee, serving on the state-mandated Retirement Board that oversees the OPEB (Other Post Employment Benefits) Bonds, holding an annual spring Health Insurance and Retirement Workshop with PFT to explain how Medicare and District benefits work together, running articles in the quarterly PRO newsletter that explain benefit and pension issues, working with the PFT, SEIU, Local 39 and the District to keep our SPD (Summary Plan Description) accurate, and to resolve issues around retiree health care such as reimbursement for Medicare D.

The benefits that all Peralta retirees enjoy today are a result of unions advocating for wages and working conditions that were fair to employees. Unions are the organizations that go to the negotiating table to be sure there are health benefits- that EVERYONE has access to, and negotiate contracts that have language that protects retirees' health benefits. All employees of the district, whether they were repre-

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sented by a union or not, have better working conditions and benefits as a result of what unions negotiated for full time employees in the Peralta unions: PFT, SEIU and Local 39.

This fact is also why I think it is essential that all retirees learn about the upcoming Supreme Court Case- Friedrichs vs California Teachers Association. Ten teachers in Orange County have brought a suit objecting to "fair share" fees - such as we have in Peralta. No teacher in California is forced to join a union, but if they are in a district/school that has a union, they must pay a fee to the union. Since unions do political advocacy, Friedrichs and her co-plaintiffs are objecting to paying for political advocacy that they may not agree with; however, every union has a way of refunding money to fee payers that do not feel comfortable with that particular expenditure.

If this case is settled in favor of Friedrichs, it will be

a serious blow to unions all around the country, and the power of unions will once again be greatly diminished. Once the power of unions is shrunk, pensions and retirement promises including health benefits are all at risk. Up until now, courts have determined that promises made in collective bargaining agreements to retirees cannot be changed, but if unions are stripped of their powers as a result of cases like Friedrichs, it could be very dangerous for retirees as well as actives.

In an effort to maintain the highest level of benefits possible for all Peralta employees, many years ago the unions brought forward a plan to encourage eligible retirees and their spouses/partners to use Medicare as their primary coverage and the district as their secondary. This plan has saved the district hundreds of thousands of dollars and enabled the active employees to continue having lower deductibles and co-payments. PRO supports Medicare enrollment for all eligible retirees and their spouses even when it is not mandated by the collective bargaining agreement the employee retired under. PRO wants to maintain the most affordable high quality health care for retirees and actives.

Most of us are appreciative of the benefits that we worked hard for over the years at Peralta, and we understand that we would not be enjoying our retirement in the same way if we were worrying about pensions and health care. But we can't just assume these benefits will remain forever: it takes work and action to sustain them. Many people on the Board have served for multiple years, and are contributing to the work and life of PRO in various ways. But these people can not be expected to continue serving endlessly. If you want PRO to continue, if you believe the work of PRO is worthwhile, then I urge you to find a way to become involved. The newsletter is published four times a year - if you like reading it - consider helping out. I know we are all very busy, but we are also an aging group, so I particularly urge more recent retirees to think about ways to support PRO.

We currently still have two vacancies on our Board. As a result of those vacancies, we will be unable to sponsor our annual spring Garden Party or our an-

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### **Peralta Retirees Organization**

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Walnut Creek, CA 94596**

<http://www.peraltaretirees.org>

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***The Peralta Retirees Organization (PRO) & The Peralta Federation of Teachers Present...***

**PRO/PFT Retirement Workshop  
Wednesday, April 13 ■ 3:30-5:00 pm  
Laney College, Room F255**



PRO Vice-President Bruce Jacobs will lead the session

**Light refreshments will be provided**

**RSVP by 4/11 to  
510-763-8820 or [union@pft1603.org](mailto:union@pft1603.org)**

## **Medicare Part B Premium Increased for Many Retirees**

*By Bruce Jacobs*

Most retirees will pay Medicare Part B premiums of \$104.90 per month in 2016. However, many Peralta retirees have found that their B premium increased quite a bit more than that.

Medicare payments are prevented by law from increasing faster than Social Security payments. Since Social Security recipients didn't get a cost-of-living adjustment for 2016, most existing Social Security beneficiaries will continue to pay the same Medicare Part B premium as in 2015. However, the Centers for Medicare and Medicaid Services estimates that about 30 percent of the 52 million Americans expected to be enrolled in Medicare Part B in 2016 will pay higher premiums. Here's a look at the specific groups of people who are paying bigger Medicare premiums in 2016:

**New enrollees.** Retirees who sign up for Medicare in

2016 will pay \$121.80 for Medicare Part B, \$16.90 more per month than existing Social Security recipients. This group includes people who will turn 65 in 2016 and employees who worked past age 65 at a job with group health insurance, but will switch to Medicare in 2016. The Bipartisan Budget Act of 2015 prevented a much higher premium increase to \$159.30 for new beneficiaries. This law modified how Part B premiums are calculated for 2016. General tax revenue will be used to cover the costs of the premium reduction, but all Part B enrollees will repay this amount over time through small surcharges added to their premiums until the money is repaid.

**Retirees not collecting Social Security payments.** If you signed up for Medicare before claiming your Social Security payments, you are not protected from Medicare

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## Scalia's Death Likely To Alter Outcome In Friedrichs Lawsuit

*The following article, originally published on the EdSource.org web site, describes the likely scenario that will play out in the Friedrichs v. CTA lawsuit now before the Supreme Court. The case involves the legality of mandatory agency fees for public employees. A finding for the plaintiffs would ultimately result in the weakening of public employee unions, both in the workplace and politically throughout the state and country. -Editor*

By John Fensterwald

With the death of Supreme Court Justice Antonin Scalia, the California Teachers Association will likely gain an unexpected victory, at least for now, in its legal battle to continue the right to require all teachers to pay the costs of collective bargaining. That was the issue raised in Friedrichs v. the State of California and the CTA, which the U.S. Supreme Court will rule on by June. Court observers had predicted that Scalia would join the four other conservative justices to make a 5-4 decision overturning Abood v. Detroit Board of Education, a four-decades old Supreme Court decision that said that states could require all public employees to split the expenses of bargaining, known as “agency” or “fair share” fees.

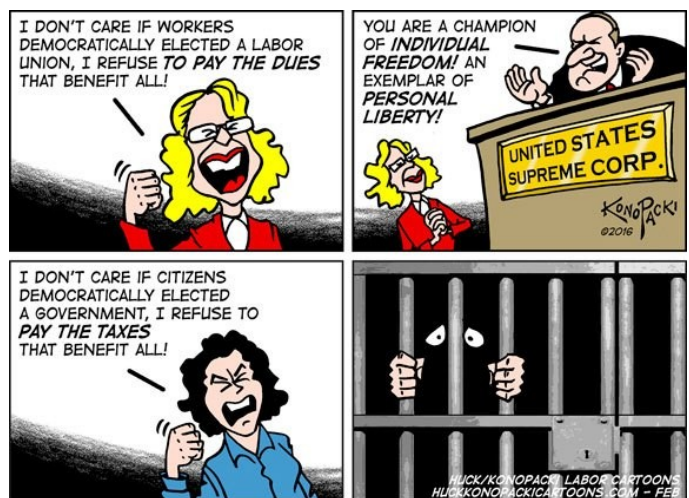
A majority decision agreeing with the plaintiffs – Rebecca Friedrichs, an elementary school teacher in the Savanna School District in Anaheim and nine other non-union teachers – could severely weaken the financial health and political clout of the CTA and other public employee unions. The suing teachers contend that mandatory fees coerce them to support bargaining positions they disagree with, violating their constitutional right to free speech. With a possible 4-4 tie, the court would defer to the ruling of the U.S. 9th Circuit Court of Appeals on the side of the union. If that were to happen, the Court of Appeals decision would uphold only California’s law permitting mandatory fair-share fees and not affect the other two dozen states that also have passed similar statutes. (Tom Goldstein, publisher of SCOTUSblog, suggests that the Supreme Court could decide to have cases like Friedrichs re-argued, once Scalia’s successor takes a seat on the

court. Goldstein cites precedents for doing this in his article.) In the remaining “right-to-work” or open-shop states, in which all dues and fees are voluntary, unions generally are weaker and the percentage of membership is smaller.

In its pro-forma ruling in 2014, the Appeals Court didn’t consider the merits of the case, nor was it asked to. The Washington, D.C.-based Center for Individual Rights, which filed the lawsuit on behalf of the plaintiff teachers, had asked the lower courts to expedite a decision without a full trial so that the Supreme Court could directly reconsider the Abood decision.

The center’s lawyers had reason to believe the majority on the court would agree with them. In a ruling in 2014 in a related case, Harris v. Quinn, Scalia and other conservatives called the Abood decision “troubling.” Although the court didn’t overturn Abood then on technical grounds, Scalia and other conservatives in a concurring opinion invited a lawsuit directly challenging it. The Friedrichs lawsuit was that challenge, and the court agreed last fall to hear the case.

In establishing fair-share dues, the court in Abood distinguished between collective bargaining expenses, covering pay and working conditions, and money to underwrite a union’s support of candidates, its political positions and lobbying local



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**(Friedrichs Lawsuit...Continued from page 4)**

school boards and the Legislature on non-bargaining issues. Teachers are not obligated to pay for politicking, it said.

For California teachers, about \$600 of their average \$1,000 annual union dues goes toward their fair-share fees; it is divided among their local union, the California Teachers Association and the National Education Association for their expertise and representation. Teachers who don't want to join the union and pay the political portion of union dues must annually sign a statement of their intention to opt out. In a 1991 decision, Scalia defended the right of public-employee unions to charge fair-share fees to cover collective bargaining expenses, since they are legally required to negotiate on behalf of union and non-union workers. Mandatory fees would solve the problem of "free-riders" who benefited from the contract without paying for negotiation expenses, Scalia reasoned.

But in oral arguments in Friedrichs last month (see page 45 of the transcript), Scalia indicated he had changed his mind and would join the other four conservative justices. "The problem is that everything that is collectively bargained with the government is within the political sphere, almost by definition," including bargaining over pay increases, Scalia said, adopting the key argument of the plaintiffs.

The Center for Individual Rights' strategy of expediting its lawsuit may have backfired with Scalia's death. Whether the CTA and other public unions face another lawsuit like Friedrichs any time soon will depend on who becomes Scalia's successor. President Obama would like to make that choice – and, with his third appointment to the court, tip control of the court to moderates and liberals. But Re-

publican U.S. senators have vowed not to vote on a nominee, leaving the choice to the next president.

The National Education Association and the American Federation of Teachers, the parent unions for the California Teachers Association and the California Federation of Teachers, a co-defendant in the Friedrichs case, last year endorsed Democrat Hillary Clinton for president. With the court's ideological majority now in the balance, Scalia's death has raised the stakes in November for unions and their opponents.

In a statement Sunday, Joshua Pechthalt, president of the California Federation of Teachers said that Scalia's death "is likely to result in a delay of the Friedrichs case but it's not certain and I think the public sector unions and the education unions have to continue the organizing we have been doing with the assumption nothing has changed."

But he also agreed that the vacancy on the court "underscores the importance of this presidential race." The next president could nominate one, maybe more Supreme Court judges, he said, adding, "These judges could be interpreting the constitution for the next generation, including issues related to labor, women's rights, voting rights, affirmative action, the environment and social justice."

*John Fensterwald, editor-at-large of EdSource Today, joined EdSource in 2012. Before joining EdSource, he was editor and co-writer for the "Thoughts on Public Education (TOP-Ed)" website, one of the leading sources of California education policy reporting and opinion, which he founded in 2009. For 11 years before that, John wrote editorials for the Mercury News in San Jose, with a focus on education. He worked as a reporter, news editor and opinion editor for three newspapers in New Hampshire for two decades before receiving a Knight Fellowship at Stanford University in 1997 and heading West shortly thereafter.*

**(Medicare Rate Increase ...Continued from page 3)**

premium increases. Some Medicare beneficiaries haven't signed up for Social Security yet in order to collect delayed retirement credits and qualify for higher Social Security monthly payments when they do claim them. There's also a small group of people covered by Medicare, but not Social Security. (Many Peralta retirees fall into this group.) These Medicare recipients will pay \$121.80 for Medicare Part B in 2016.

The good news is that no matter what your Medicare Part B premium is, it is fully reimbursable from the Peralta District. If you have not been requesting reimbursement or if you have not submitted the required paperwork for 2016 now is the time to take care of this. You will need a Medicare A, B & D Premium Reimbursement Claim Form (available from the District Benefits Office or online at <http://web.peralta.edu/benefits/files/2011/04/2015-Medicare-A-and-B-and-D->

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# AN OPEN LETTER TO PERALTA RETIREES

Dear Friends and Colleagues,

I hope that like me you are finding your retirement fulfilling and pleasurable. I've enjoyed children and grandchildren. I've had the time to enjoy activities like many kinds of music, to travel to just about every place I'd ever dreamed of seeing, and to become more involved in local and professional issues. We, as Peralta retirees, have shared many wonderful moments. At times, we've been frustrated and uncertain of the future, but we've survived through our commitment to our colleges and students, our belief in our service to the community, our discipline or purpose, and our loyalty and affection for our colleagues.

Now, as retirees, we need to renew our commitment to our common betterment. The founding leadership of PRO served us all admirably. Now it's our time to come together to bolster and fund PRO. It's not news that public employees and retirees are under renewed attack upon our rights and benefits. Court cases in California, Illinois and other States put retirement at issue. Political leaders in Washington and State capitals attack our rights and paint our pensions as unjust privileges. We have allies and supporters. We've worked diligently to help our students progress to better themselves and our communities. We've helped others. Now it's time to help ourselves. PRO is our first line of defense of the benefits and rights we have earned through our hard and loyal work. Please join me by renewing your membership or join today in solidarity,

*Don Hongisto*

## CalPERS Employer Contribution Rates Increasing Dramatically

*By Bruce Jacobs*

Employers contracting with the California Public Employees' Retirement System ("CalPERS") are still grappling with rate increases initiated in 2013 which continue to build for the foreseeable future. Now, CalPERS has signaled a possible additional increase as it considers moving towards the adoption of a risk mitigation strategy. While the strategy will hopefully stabilize contribution rates over the long run and ensure the long-term sustainability of the fund, it will definitely send employer contribution rates even higher for years to come.

Employer rates have increased dramatically in recent years as a result of three actuarial changes by CalPERS. First, CalPERS reduced the "discount rate" which increased employer contribution rates in 2013. The "discount rate" is an actuarial assumption of the average projected

market return on investments. Generally, the higher the discount rate the lower the employer contribution rate. Second, CalPERS made changes to its smoothing and amortization policies. This resulted in yet another rate hike that started in 2015. Third, CalPERS made changes to actuarial assumptions based on mortality (i.e., people, men in particular, are living longer). The rate increase for this initiates in 2016. At this time, some employer plans already have employer contribution rates that are in excess of 40 percent, or even 50 percent, of payroll.

Here comes a possible fourth rate increase. CalPERS "expect[s] employer contribution rate volatility to continue to increase over the next 20 to 30 years." CalPERS needs to address the fact that market investment returns are not meeting expectations and that a large number of

baby boomers are retiring.

Under the plan, CalPERS will reduce its "discount rate" again when its investment returns exceed certain goals in a given year. CalPERS will then move to safer assets and more conservative investments, which will likely have a lower rate of return, but will be less risky and volatile. One of the primary concerns facing the fund is the risk of another recession (in 2008 the fund had a negative 24% return). Another dramatic drop of that magnitude could damage the sustainability of the fund and further increase contribution rates.

Unfortunately, the strategy of reducing the discount rate and moving to more conservative investments will send employer contribution rates even higher.

## Contribute To The PRO Scholarship Fund By Honoring Or Memorializing A Friend Or Loved One



**Yes, I want to support the PRO Scholarship Fund with a contribution.**  
(Please print)

In honor of:     On the occasion of:     In memory of:

**Please send acknowledgement card to:**

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

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

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_

**Zip:** \_\_\_\_\_

**Contributor's Name:** \_\_\_\_\_

**Contributor's Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_

**Zip:** \_\_\_\_\_

Make check payable to: **The Peralta Foundation—PRO**

**Send to: PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596**

*Contributions are tax deductible to the extent allowed by federal and state law.*

### Contributions Received for the PRO Scholarship Fund

In Memory of:	Contributor
Ellen Gomez	Catherine Crystal
George Hilton	James Mohr
Dorcas Kowalski	Bernice Moeller
Martina Smokey Wilson	Catherine Crystal
In Honor of:	Contributor
Bruce Jacobs	Ron Felzer
Linda Japzon	Beatrice Marlais
Jay Quesada	Beatrice Marlais

### IN MEMORIAM

*The following Peralta retiree has passed away during the last months. PRO extends our deepest condolences to her family and loved ones.*

#### Dorcas Kowalski

*If you have any information about the passing or the serious illness of a Peralta retiree, please contact Bruce Jacobs at: [brucejacobs@gmail.com](mailto:brucejacobs@gmail.com) or by writing to PRO, 1250-I Newell Ave., #162, Walnut Creek, CA 94596*

### Welcome New Member

*PRO welcomes the following retiree who has recently joined.*

**Kanika Parris**

*(From the President...Continued from page 2)*

nual summer PRO Picnic, two lovely events that bring Peralta retirees together. If you have any interest in helping to organize such gatherings, please let me know.

I close with two reminders. The Open Enrollment for District health benefits is May 1- May 31, 2016. The District is planning to sponsor Open Enrollment activities at all four colleges as well as the District Office on May 4 and 5, but check the District website and your mail for specific details.

On Wednesday, April 13, from 3:30-5:00 at Laney College in Room F255, PRO will be co-sponsoring the annual Health Insurance and Retirement workshop with the PFT. If you are about to be Medicare eligible or if you still have questions about coordinating your PCCD medical benefits with Medicare, I highly recommend this extremely informative and useful presentation.

*(Medicare Rate Increase ...Continued from page 5)*

Premium-Claim-Form-Revised-11-16-15-002.pdf). Complete the form and submit the required documentation to Pension Dynamics:

- Your monthly STRS statement if you are paying your B premium by deduction from your STRS check. You need do this only once a year, *or*
- Your Social Security Statement verifying the deducted amount. Again this need only be done once a year, *or*
- Federal Tax Form 1099 issued annually by the Social Security Administration, *or*
- A copy of the monthly or quarterly billing statement from Medicare (CMS) together with proof of payment. This must be submitted for each period (monthly or quarterly).

*In submitting proof of payment or copies of official documents, be sure to black out any financial information such as credit card or bank account numbers.*

Pension Dynamics address for submission of the form and documentation:

Pension Dynamics Company, LLC, 2300 Contra Costa Blvd., Ste. 400, Pleasant Hill, CA 94523.

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**Peralta Retirees Organization**  
**1250-I Newell Ave., #162**  
**Walnut Creek, CA 94596**