

# Retiree Advocate



VOLUME XIV • ISSUE II • APRIL 2014

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## ▶ NOTES FROM THE PRESIDENT



Good news! The Reed Initiative is dead, at least for this year. That’s the initiative that would have allowed employers (for us, the state) to change pension benefits, mid-career. The bad news is that Mayor Reed has vowed to bring it back for the next election.

Another piece of potential bad news came up this last month for CalSTRS retirees who took the Golden Handshake a few years ago. That was the deal where you received an extra two years of service credit, and agreed to not work in ANY position for your district for five years. Some districts have misreported payments that were made in the year following retirement for services rendered in the retirement year. If that should happen to you, call CalSTRS immediately and ask for an appeal.

We have had a number of formerly PRE-Retired members report that they did not receive ballots in the last election. The most common reason has been that the CTA Membership Department was never notified that they retired. To report the changeover, members need to email CTA at [Membership@cta.org](mailto:Membership@cta.org) or call 650-552-5278.

Politically, CTA and CTA/NEA-Retired have a number of goals for the 2014 elections, but the biggest is getting Tom Torlakson re-elected as state Superintendent of Schools. Tom has been a true friend of public education and we need to see that he retains his seat. When the time comes for phone banking, precinct walking, writing letters-to-the editor and all those other things that we do so well, please step up and volunteer to work with our active brothers and sisters in CTA in support of Tom Torlakson.

We will be losing our dynamic CTA retirement lobbyist for a few months. Jennifer Baker is expecting and will bring a new soul into the world in the middle of May. We will miss her greatly, and wish her and her daughter the very best. We will also be missing our fantastic staff person, Gerry Fong, for a while after foot surgery in April. If it takes us longer to answer your questions, or solve your problems, that’s the reason. Luckily, we still have retired CTA Assistant Executive Director Jim Clark available to help out.



CTA/NEA-Retired officers at the CTA/NEA-Retired Annual Conference

STAY CONNECTED



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*Len Feldman* (Senate Hearings)  
*Retired Members*

## ▶ CTA/NEA-RETIRED ELECTION RESULTS

Marc Sternberger, Vice President

### CTA/NEA OFFICERS & NEA-RETIRED AND REPRESENTATIVE ASSEMBLY DELEGATES

The CTA/NEA-Retired Election Committee counted ballots between March 20-22, 2014 and issued their official report on the March 22, 2014. There were 3,147 ballots received back in the mail from CTA/NEA-Retired Members.

Re-elected, for 2-year terms, were Alen Ritchie for President, Marc Sternberger for Vice President and Frank Tarantino for Secretary-Treasurer.

The following members were elected as delegates to the 2014 NEA Retired Annual Meeting held June 28-29 and the NEA Representative Assembly held July 1-6, both in Denver, CO.

Clifford Burns	Dorothy Moser	Bonnie Shatun
Sharon Fitch Boudreau	Arlene Pavey	Marc Sternberger
Emily Joy Ettinger	Anna Poggi	Frank A. Tarantino
Ed Foglia	Alen Ritchie	Loretta Toggenburger
Lois Hale	Karen Russell	Margaret Wallace
James Moore	Jane Sakamoto	(1st Alternate)

The delegates at the Annual Meeting discuss the issues and concerns of our retired members, and often take on proposals and new business items at the NEA Representative Assembly (RA). The 8000+ RA delegates then debate these and other proposals and vote whether they will become part of the governing documents and/or policy of the NEA, which represents over 3 million members.

## ▶ CaIPERS LONG-TERM CARE PLANS

Ed Foglia, District II Representative

The CaIPERS Board of Administration, which oversees their Long-Term Care (LTC) Program, has sent its policyholders an informational letter regarding the range of options available to make coverage adjustments, or the choice of accepting the 85% increase and keeping current coverage. The mailing will have a pamphlet explaining the different forms of LTC coverage available. These options do include two (2) Lifetime Benefit options. There are also options that allow you to keep the Daily Benefit Amount (DBA) when converting to a 10, 6, or 3-year plan. Under some of the new plans, CaIPERS LTC has dropped the built-inflation protection factor for a "buy-back" option to protect your DBA from inflation. If you do not wish to change your LTC coverage, there is no action required on your part at this time.

At year's end, the CaIPERS LTC Program had 142,050 plans in effect with an invested asset value of \$3.84 billion dollars.

From the end of June to December 2013, 66,629 customer service calls were received, which is down from the previous six months of 82,835. With close to 150,000 member calls in 2013 you would think that CaIPERS would be more sensitive to member needs.

According to CaIPERS, the plaintiffs in the lawsuit against them have amended their claim to include language that CaIPERS and its Board Members mishandled the Long-Term Care Program so badly that they violated their legal obligation to mentor members' interests above all else.



**BE PROTECTED**

## ▶ CTA/NEA-RETIRED BOARD OF DIRECTORS MEETINGS

Frank Tarantino, Secretary-Treasurer

The following Board meetings were held on January 24, 2014 and March 28, 2014. Here is a summary of the actions and information.

### **Action Items:**

- Approved:
  - o CTA/NEA-Retired updated its Standing Rules (now viewable on the website).
  - o Orange County Service Center Council-Retired Chapter Bylaws as presented.
  - o Bay Valley-Retired Bylaw revisions as presented.
  - o The investigation into a group Medicare Supplemental Insurance Plan for CTA/NEA-Retired members (65 years and older).
  - o Offering two (2) scholarships for CTA/NEA-Retired Ethnic Minority members to attend the Retirement Issues Conference in Burlingame on March 5-6, 2015.
  - o The appointment of the current CTA/NEA-Retired Ethnic Minority-at-Large Board Member for the current year so that all CTA/NEA-Retired Board Members will be on the same election cycle.

### **Reports:**

- Earnings reported to CalSTRS  
Currently there is no penalty to districts that misreported employee earnings for retirement purposes. Under the current practice, retirees face “double jeopardy” in that they must re-pay overpayments at 5%/month and their Defined Benefit is “rolled back” to what it should have been. 1-2% of all school districts in California are audited by CalSTRS each year.
- CalSTRS Unfunded Liability  
The governor and legislature have committed to address this issue in the current state budget. There are many plans offered to deal with this unfunded liability including increased contributions by state, employers and employees (\*) phased in over a number of years. There will be a hearing on the matter on April 9th at which the majority of speakers will be part of a CTA/NEA-Retired delegation sent to Sacramento for this hearing.  
*\*Any increase in active employee contributions to CalSTRS would require an “equal benefit” to the increase for current active members of CalSTRS.*
- Vegara Lawsuit  
Court proceedings ended March 27th with closing arguments presented by both sides. The next step is the filing of legal briefs due April 10th. A final decision on the case should be issued within the next 4-5 months. This case has the potential to undermine safeguards and due process rights which CTA has fought for and won in the courts. Regardless of the outcome, the verdict will probably be appealed by either the plaintiff or the defendant.
- Activities of the CTA Campaign Workgroup Committee  
There are many important races, but the number one priority for CTA in June is Tom Torlakson. Marshall Tuck and Lydia Gutierrez (a Long Beach teacher) are serious competition. CTA is putting together a side-by-side comparison of candidates for distribution.

### **Information Items:**

- The 2014 ballot initiative identified as the Pension Reform Act of 2014 is not ready for this year’s November ballot. It will probably be rewritten and ready for the 2016 election cycle.
- The CTA Strategic Plan was adopted by State Council and retirees (\*) will have a role in the implementation process (\*).  
*\*CTA/NEA-Retired Vice President Marc Sternberger and CTA Staff Consultant Gerry Fong were appointed to the CTA Strategic Plan Implementation Workgroup.*
- CTA/NEA-Retired member Bonnie Shatun was appointed to the CTA Campaign Workgroup Committee.
- The CTA/NEA-Retired Board and Executive Officers will be holding their annual Planning Meeting on August 7-8, 2014.
- Alen Ritchie and Bonnie Shatun will be presenters at the 2014 Student CTA Representative Assembly to be held on April 25-27, 2014.
- The Retiree Advocate will have a “new look” and format reflecting the new CTA/NEA-Retired “branding.”
- Like us on Facebook: [www.facebook.com/ctanearetired](http://www.facebook.com/ctanearetired). “Membership” in Facebook is NOT required.
- There were 12 applicants for the Sharilynn Gardella Russo Scholarship.
- Dorothy Moser, CTA/NEA-Retired Board Member (Region III), passed away on March 27th. Shelley Krantz (elected first alternate) will attend CTA State Council meetings until an election is held in March 2015.



CTA/NEA-Retired President Alen Ritchie spoke in support of a fair, comprehensive solution to the CalSTRS unfunded liability at the Senate Public Employment and Retirement Committee hearing.

**ENJOY BENEFITS**



## ▶ **CARA REPORT**

Pat Ryan, CARA Representative

The California Alliance of Retired Americans continues to advocate on issues that affect us. Their 11th Annual Convention is going regional and you are invited. **SAVE THESE DATES:**

Bay Area/Northern Calif.

**October 1, 2014**

Richmond Memorial Aud.  
403 Civic Center Place  
Richmond, CA

Central Valley/Sacramento

**October 8, 2014**

VFW Hall 8900  
3583 Blythe Avenue  
Fresno, CA

Southern California

**October 22, 2014**

UFCW Local #324  
8530 Stanton Avenue  
Buena Park, CA

Voting at these meetings will decide the priorities for next year. Official registration information will be available in May. Snacks and materials are included in the registration cost of \$30 per person and the conferences last from 10am to 3pm. Please go to [http://www.californiaalliance.org/pdf/3488.save\\_the\\_date\\_flyer\\_-\\_revised\\_3-28.pdf](http://www.californiaalliance.org/pdf/3488.save_the_date_flyer_-_revised_3-28.pdf) for more information.

## ▶ **RETIRED MEMBERS PARTICIPATE IN CaISTRs LOBBY DAY**

Bonnie Shatun, Editor

Members of CTA/NEA-Retired, joining members of the CTA Retirement Committee and our Legislative Advocates, spent April 9th in Sacramento urging lawmakers to work to correct the \$73.7 billion CalSTRS shortfall caused by the 2008 market downturn. The fund has historically been a very sound system with investments exceeding expected rates of return. However, this shortfall must be addressed to insure retirement security for educators. If it is not, CalSTRS may not have sufficient assets to pay benefits beyond 2044.

Members testified at the Senate Public Employment and Retirement Committee hearing that a secure retirement is critical to attracting and keeping quality educators. They also shared that the average retirement benefit for a teacher who worked more

than 25 years is only \$3,300 a month. Legislators were reminded that teachers receive very little Social Security due to the offset penalties and most have to pay their own health care premiums after retirement.

The afternoon was spent meeting with individual legislators to explain that CTA supports a fair, long-term and comprehensive solution to the unfunded liability that includes all stakeholders. The state needs to bring its current contribution of 3% back up to at least the 4.6% that it had paid before it reduced its contribution 10 years ago when the system was fully funded. The burden of increased contributions also needs to be shared fairly among the state, local school districts and educators. It is hoped that there will be a legislative remedy this year.

## ▶ **“WE HONOR OURS (WHO)” AWARD PRESENTED**

Alen Ritchie, President

Last year the first Ellen Logue WHO Award was given to Orval Garrison from the Northbay-Retired chapter. We did not travel very far to find our second recipient. CTA/NEA-Retired happily announces this year's recipient is Val Muchowski, also from Northbay.

Val was an extremely valuable member to CTA while active and hardly slowed down when she retired in 2005 from the Anderson Valley Unified School District. In 2005 she became President of the one year old Northbay chapter and held that position until 2013. While President, she kept the members informed about CTA political initiatives, CTA-endorsed candidates and elections in the

local areas. In addition, Val was actively informed on the issues of CalSTRS, the Social Security Offsets and other progressive retirement issues. During most of that same period she also served as the CTA/NEA-Retired liaison to the Redwood Service Center Council and became a member of its Steering Committee.

Additionally, Val found time to participate in the Mendocino Democratic Central Committee, the National Women's Political Caucus, the Unity Club and the Anderson Valley Cancer Support Group. Val, we salute you!



Maggie Ellis, Chair of CTA's Retirement Committee, and Paula Weiss, a retired educator, stressed to the Senate Public Employment and Retirement Committee that a secure retirement is critical to attracting and keeping quality teachers.



**HAVE FUN**

## ▶ **CalSTRS UPDATE**

### **Ed Foglia, District II Representative**

The California State Teachers' Retirement System (CalSTRS) Trustees have elected Harry Keiley as Board Chair and Sharon Hendricks as Vice Chair for the 2014 - 2015 terms. Mr. Keiley has served as Vice Chair since 2010. He is a high school teacher with the Santa Monica-Malibu Unified School District and was elected to the Teachers' Retirement Board in 2007. He succeeds Dana Dillon who has provided dynamic, steady leadership in her five years as Chair. Ms. Hendricks is a speech professor with the Los Angeles Community College District and was elected to the Teachers' Retirement Board in 2011.

Since 1995, the California Teachers Study (CTS) has collected data from 133,479 women who are current and former CalSTRS members. The study was initiated as a result of evidence of significantly higher incidence of cancer among public school employees. The women, both active and retired, who chose to participate, have periodically received questionnaires to monitor changes in their health. For further information regarding CTS studies and findings, log on to [www.calteachersstudy.org](http://www.calteachersstudy.org). The website will provide newsletters, publications and stories of interest. If you are retired and were part of the CTS data gathering

team, continue to stay involved. It is important for you to complete the questionnaires or provide your current contact information if you have moved or lost contact with CTS.

The gap between current assets and the obligation facing the system commonly called the "unfunded liability" has grown to \$73.7 billion. CalSTRS has slightly less than 67 cents on hand for every dollar it owes its members. According to CEO Jack Ehnes, "this valuation reflects a reality, affirmed by the Governor, Legislature and stakeholders, that stabilizing CalSTRS funding will require contribution increases." 2013 was a very good year for CalSTRS investments increasing holdings by \$23 billion. However, we cannot solve the problem of the unfunded liability through investments alone. If unaddressed, under funding will deplete CalSTRS funds by 2046.

Unlike CalPERS, CalSTRS must have legislative action to raise contribution rates from the employees, school districts and the state. CalSTRS and the stakeholders are currently working with Governor Brown and the Legislature to address the unfunded liability gap over the long-term.

## ▶ **LONG TIME CTA/NEA-RETIRED LEADER PASSES**

### **Loretta Toggenburger, UTLA-Retired**

Dorothy Moser died peacefully on Thursday, March 27, 2014 with her family by her side at the Inn on the Boulevard (Studio City) where she resided since October. Dorothy served CTA/NEA-Retired and CTA in many capacities. She was on the Board of Directors, active and retired, and she served as President of CTA/NEA-Retired for two terms. Dorothy led an involved life. In the 1980s she served on the Board of the State Teachers' Retirement System (CalSTRS), and was also an astute member of LAUSD's Annuity Reserve Board until her retirement. Prior to her death, she was on CTA/NEA-Retired's Board of Directors representing Region III. Dorothy's passion was retirement issues and helping members get their due benefits; she spoke out at State Council and the NEA Representative Assembly. Services were held on Sunday, April 13th at Forest Lawn Hollywood Hills in the Old North Church. We will miss Dorothy and her tireless advocacy.



## ▶ **SOUTHEASTERN/CTA/NEA-RETIRED**

### **Marilyn Russell Bittle, Southeastern Retired Chair**

Southeastern-Retired was one of the first chapters chartered by CTA. We meet four times a year (the Tuesday before State Council) at the CTA office in Santa Fe Springs. Each year we try to have at least two speakers. Our goals are to increase membership in CTA/NEA-Retired and educate our members on current topics affecting our pensions and CTA. Since we do not charge local dues, Southeastern Service Center Council has been kind enough to include \$500 in their budget for our use.

Each fall we hold a luncheon for all new retirees in the Southeastern area. We use the luncheon for membership promotion as well as explanation of membership benefits. Our membership is nearly at 100. The officers are Marilyn Russell Bittle, Chair; Amy Tsubohawa, Vice Chair; Betsy Haaker, Secretary; and David Hensley, Communications.



# Retiree Advocate

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- ▶ STAY CONNECTED
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## ▶ SHARILYNN GARDELLA RUSSO MEMORIAL SCHOLARSHIP

Marc Sternberger, Vice President

### SCHOLARSHIPS TO BE AWARDED IN JUNE

By the time you read this, the members of the CTA/NEA-Retired Scholarship Committee will have decided, out of the many applications, which two (2) deserving applicants are awarded the First Annual "Sharilynn Gardella Russo Memorial Scholarships." The 2014 Scholarship Committee includes Board Members Ed Foglia and Harris Kight-Moore, Vice President Marc Sternberger, and former CTA Board Member (and close friend of Sharilynn's) Harold Christy. The CTA/NEA-Retired Board of Directors voted to begin the awarding of two (2) annual \$1000 scholarships and plans to present them at our Annual Meeting in Los Angeles on May 30, 2014.

These scholarships are given in memory of Sharilynn Russo to provide financial aid to students pursuing a college degree, credential or certification for a Speech Pathology and/or an Audiology-related career in public education in an accredited institution of higher education. Sharilynn, a retired Speech Pathologist and Audiologist, was the Vice President of CTA/NEA-Retired and had just been elected President when she tragically died in a car accident in March 2012.

## ▶ CTA/NEA-RETIRED CONFERENCE, IRVINE CALIFORNIA, FEBRUARY 27-28, 2014

