



The Informer

RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY, INC.

Holiday Luncheon/ Annual Business Meeting Set for Wednesday, December 5th



Come celebrate the holidays with friends, REAO members and guests at the December 5th luncheon and annual business meeting at Mile Square Park Golf Course Clubhouse in Fountain Valley. A special menu is being prepared, see details on page 7. And as always, beautiful holiday centerpieces will adorn the tables and be taken home by a lucky attendee at each table.

Entertainment will be provided by the Surf City Singers from the Academy for the Performing Arts.

We will once again be collecting unwrapped gifts and gift cards for Operation Santa Claus/Senior Santa and Friends. Please help brighten someone's life this holiday season.

You'll hear the latest on Retiree Health Benefits and other pertinent Retiree information. Prizes and surprises await, including the \$300 Progressive Drawing!

Make your reservation by sending in the form on page 7 with your check to arrive at REAO no later than Wednesday, November 28th. Check in starts at 11:00 AM and lunch is served at noon. Please car-pool if possible. See you on Dec. 5th!

Presidents' Message

Holiday Greetings from Linda Robinson and Doug Storm

On behalf of the entire REAO and AREOC Board of Directors we wish everyone a happy, safe and joyous holiday season. However you celebrate this time of year, may peace and serenity surround you and your dear ones. Notwithstanding all the fast-paced holiday activity, may you create fond and beautiful memories—ones that will be enjoyed for many years to come. CHEERS AND BEST WISHES TO ALL!!

2012 has been a challenging time for retirees—individually and collectively. By the time you read this issue of *The Informer* the November elections will have concluded. Our nation and its leaders will have the daunting task of prioritizing and solving a multitude of competing social, economic, political and international issues. Given the current economic times, retirees could be greatly affected by solutions proposed by our leaders. It's extremely important for us to be fully informed, proactive and our own best advocates. REAO will continue to address emerging issues and keep our membership informed of any actions required to protect our hard-earned benefits. Please accept our heartfelt thanks and appreciation for your REAO membership, support and participation throughout the year.

LITIGATION UPDATE: As reported in our prior newsletter and on the REAO website www.reaoc.org in

mid-August the sitting judge in our retiree medical lawsuit entered judgment for the county, citing similar arguments presented in the judge's initial ruling; this despite being reversed by the Ninth Circuit Court of Appeal and the State Supreme Court. While the ruling was disappointing, it was not unexpected. REAO attorney, Michael Brown, has appealed the judgment to the appellate court and the Ninth Circuit has granted an expedited briefing schedule. REAO's Opening Brief is due next year on February 19; the county's response is due March 20 and REAO's reply is due on April 3. Following submittal of all briefs, the Ninth Circuit will schedule a hearing. All briefs will be posted on the REAO website. **ADVANCE REQUEST:** While a hearing date won't be set for some time, we would like to encourage retirees to attend the appellate hearing once

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Candidates for 2013 REAOC Officers and Board Members

At the December 5, 2012 luncheon REAOC members will elect Officers and Board Members for 2013. The following incumbents were nominated at the September 26th luncheon:

Co-President	Linda Robinson
	Doug Storm
Past President	Bob Griffith
General Secretary	Faye Watanabe
Treasurer	Bill Castro
Director	Gaylan Harris
Director	John Iagjian
Director	John LaRoche
Director	Sara Ruckle-Harms

Larry Leaman, who currently serves on the AREOC Board of Directors, was also nominated for the vacant Director position created by Chuck Hulse's resignation.

There were no additional nominations from members attending the luncheon. However, if you would like to be a candidate for any of the above positions or nominate someone else, please contact our Office Manager, Ilene Barcenas at (714) 840-3995 or reaoc@reaoc.org. There will also be a vacant position on the AEROC Board next year. If you are interested in serving in that position please contact Ilene.

Please attend the December 5th luncheon/business meeting and add your vote. Also, please volunteer—we need your assistance!

Presidents' Message

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that date has been established. We will keep you updated as the case proceeds.

2013 Health Plan Enrollment: Open Enrollment starts November 1st and ends November 21st. You should have received correspondence from the county by now describing 2013 health plan offerings and costs. If you have not received this information and are currently enrolled in a county health plan, please contact the county's benefit center at 1-866-325-2345 and speak with a benefits specialist. You'll find the cost of premiums differ significantly between plans and vary according to pre and post-Medicare status. While REAOC did not participate in developing the new 2013 rates, members of your REAOC Board will contact county staff to more fully understand rate changes.

Lastly, we hope to see you at the December 5th Holiday Luncheon. The agenda will include election of Officers and Directors, sensational musical entertainment and grand camaraderie. Please plan to attend and share in the magic of the season!

Take care and be well.

– Doug Storm
– Linda Robinson



REAOC

P.O. Box 11787
Santa Ana, CA 92711-1787
Phone: 714-840-3995
Website: www.reaoc.org
E-mail: reaoc@reaoc.org

OFFICERS

Linda Robinson	Co President
Doug Storm	Co President
Faye Watanabe	Secretary
Bill Castro	Treasurer
Bob Griffith	Past President

DIRECTORS

Gaylan Harris
Chuck Hulse
John Iagjian
John LaRoche
Sara Ruckle-Harms

APPOINTED STAFF

Ilene Barcenas	Office Manager
John Iagjian	Membership Committee
John LaRoche	<i>The Informer</i> Editor, Luncheon Committee
Norma Roberts	Board Watch Committee
Linda Robinson	CRCEA Delegate
Lou Scarpino	Legislation
Faye Watanabe	Scholarship Committee

The Informer is published 5 times a year. Readers are encouraged to write *The Informer* expressing their views and comments on the subjects of interest to them.

The mission of REAOC is to promote and maintain fellowship and camaraderie of OCERS retirees and their spouses by sponsoring social and recreational activities and by maintaining contacts via the newsletter, the REAOC website, e-mail, or other means of communication. A secondary purpose is tracking and dissemination of information relating to pension and legislative actions, financial matters, physical and mental health care, volunteer and employment opportunities and other concerns that may be of interest to our members.

OCERS retirees and their spouses are eligible for regular association membership. Dues are \$3.00 per month, payable through payroll deduction. Active employees, who will receive their retirement through OCERS, are eligible for Associate Membership. Dues for associate members are \$1.00 per month payable for the year each January.

Luncheons are held at Mile Square Golf Course in Fountain Valley on the fourth Wednesday of January, March, May and September, and on the first Wednesday of December. A local chapter of REAOC is active in Hemet.

In the News

Edited by Helen Lotos

While California moves ahead to establish a first-of-its-kind state-run retirement plan for low-income private sector workers via SB1234 signed by Gov. Jerry Brown last month (*Los Angeles Times*, Oct. 6), former Los Angeles mayor and millionaire Richard Riordan announced he is finalizing language for a ballot initiative that would move newly hired city workers into 401(k)-style retirement plans (*LAT*, Oct. 13). Riordan would need nearly 255,000 signatures to get the measure onto the May 2013 municipal election ballot, according to the city clerk's office.

"I think the idea is absolutely idiocy," said LA Councilman Paul Koretz, "because then we have no way to fund our current pensions. It actually winds up costing us more and is very counter-productive." Current LA Mayor Antonio Villaraigosa and the city council are already moving forward with their own plan to roll back pension benefits for future civilian employees such as librarians, clerks, groundskeepers and mechanics.

ABC News recently reported on the status of legislation involving public employee pensions in several states. Among them:

California: Gov. Brown signed legislation expected to save billions of dollars in coming years by increasing the retirement age for new employees, limiting annual pension payouts to \$132,120 and requiring workers who are not contributing half of their retirement costs to pay more. Recent pension changes in

San Diego and San Jose are being challenged.

In San Diego, the decision about whether new city hires will receive Social Security benefits under San Diego's pension overhaul has been made by state lawmakers and Gov. Brown rather than by the workers themselves (*San Diego Union-Tribune*, Oct. 1). Brown signed legislation that requires the city to enroll new hires eligible for a 401(k)-style plan into Social Security, a social safety net that city workers voluntarily gave up in the 1980s. In June, city voters had overwhelmingly approved Proposition B, which called for replacing pensions with 401(k)-style plans for all new hires except police officers.

Illinois: The state has reduced benefits for new employees, but efforts to do so for existing employees and retirees have stalled. The changes for new employees include raising the retirement age to 67 and ending 3% cost of living raises, compounded annually, for their pensions. Instead, new employees qualify only for raises of 3% or half the inflation rate, whichever is lower.

New York: In March, state leaders, facing union opposition, reached a budget agreement to reduce pension benefits for future public workers, requiring higher contributions and lowering the retirement age from 63 to 62. The changes are projected to save local governments \$80 billion over 30 years. It omitted Gov. Andrew Cuomo's proposal for a defined contribution alternative for all future employees. New York has one

of the healthier state pension systems in the country, thanks in part to a law requiring the state to make annual contributions to the pension system.

New Jersey: In 2011, a law increased pension contribution requirements for public employees and suspended pension increases. In court, a judge sued, saying the increased pension and health care contributions amounted to an unconstitutional salary reduction for judges. A court agreed, and now there's a call to amend the state constitution to allow the changes.

Louisiana: In recent years, lawmakers have made changes to increase the retirement age and retirement benefits for new workers, but Gov. Bobby Jindal's attempt to change benefits for existing workers failed to win legislative support. A plan to switch new state employees to a cash balance plan with many of the features of a 401(k)-style account is tied up in litigation.

REAOC Updates via E-mail

REAOC officers often send e-mails to our members in order to keep them informed of current events and activities, such as the status of the lawsuit challenging the reduction of retiree health care benefits. If you are not on REAOC's e-mail list, please forward your name and e-mail address to reaoc@reaoc.org. This will help to ensure you have the latest information in between editions of *The Informer*. Thank you.

Public Employees Really Are Paid Less

by Stan Coombs, Benefits Committee Chair Retired Employees of San Diego County

Underlying anti-public employee sentiment is almost invariably the assumption that they are, or in the case of public retirees, were overpaid in some regard for the services they provided, certainly were paid more than private sector employees.

But is that true? There are a lot of variables in the mix, and the facts can be difficult to sort out.

We're enlightened by a 2010 study, "Out of Balance? Comparing Public and Private Compensation Over 20 Years," by Keith Bender and John Heywood, economists at the University of Wisconsin. Their overall conclusion is that U.S. state and local government employees are paid an average of 11% and 12% less, respectively, than their private sector counterparts.

This isn't the first published study comparing public and private sector pay. Bender and Heywood reference at least eight others completed over nearly 50 years. One early study reported public employees earning slightly more than private sector workers, three later reported mixed results depending on pay levels, and four more recently reported public employees earning less.

In this case Bender and Heywood examined individual worker data from a "Current Population Survey" of 60,000 households conducted by the U.S. Census Bureau for the years 1983 to 2008, controlled for such relevant variables as hourly wages, gender, ethnicity, age, union affilia-

tion and five education levels. The value of some two-dozen fringe benefits was also examined.

Bender and Heywood avoided the formidable task of comparing unlike public and private sector jobs by taking a "people approach," wherein they standardized for known earnings determinates associated with particular workers, such as education, training, experience, job location, broad occupations and others, rather than for particular job classifications.

Figures were gathered for state workers, local government workers and private sector workers within states and nationally, and from several states with larger populations as separate samples, including California, Texas, New York, Pennsylvania, Illinois, Michigan and Florida.

And, out of all this came what? Bender and Heywood report that after averaging the differences between public and private sector employees for the years 2000 to 2008, they found state public employees' salaries trailing their private sector counterparts by 11% and local government public employees trailing by nearly 12%. Within California, state public employees earned 9.8% less than the private sector and local government employees earned 6.1% less, they said.

Charts in the report show how this national differential has changed over the 25 years, but always remained negative for both public

employee groups.

Yet, say the authors, public employees are required to have more education and carry more responsibility, 48.1% of state employees and 57.9% of local public employees held a bachelors or higher degree compared to only 22.6% of workers in the private sector.

But, that's not the whole story, and here's where it gets interesting for retirees. Turns out that benefits, including retirement, make up a slightly larger share of workers' total compensation in the state and local government sector, 32.65% for state and local public employees compared to 29.15% for the private sector. Employees working for larger private firms had benefits closer to state and local government levels, 31.42%.

Not unreasonable. Government agencies provide complicated services that demand highly educated employees, engineering, health and medical services, the courts, prosecuting attorneys and legal counsels, social welfare, probation, air quality, and land use planning. It should be expected that benefits would be higher for jobs requiring more education.

Regardless, say Bender and Heywood, even when both wages and the slightly higher benefits are included, public employees still earn less overall, state workers 6.8% less than the private sector and local government workers 7.4% less.

June Marcott Resigns from REAOC Board of Directors

June Marcott has resigned from the REAOC Board of Directors effective June 30, 2012. June and her family have encountered various medical problems that require her attention and time. Additionally, June and her husband Web, purchased a second home in Las Vegas where they hope to spend more time.



June became active with REAOC upon her retirement from the Social Services Agency in 2003. She attended luncheons and served on the committee that selected the banquet facility at Mile Square Park as the new luncheon location. June temporarily volunteered as Secretary

when Barry Aerni took time off to care for her ill husband. When Barry resigned from the REAOC Board, June was elected to replace her. June was very active on the REAOC Board. She

created the Board Watch Committee and was chair of the Scholarship Committee. She worked with Sara and Ilene to develop our website, she coordinated Operation Santa Claus/Senior Santa at our annual holiday luncheon and she maintained the agendas, minutes, and Board documents.

She wrote guidelines for the Scholarship and Board Watch proce-

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REAOC Supplemental Benefits Plan Open Enrollment

During the second half of October 2012 the Open Enrollment package for the exclusive 2013 REAOC Supplemental Benefits Plans was mailed to all REAOC members. Coverages available to the REAOC member, their spouse and dependent children include both a PPO and an HMO Dental plan—both of which have increased benefits for the upcoming year, a PPO Vision plan, Home, Auto, Travel, Accident, Legal services, Identity Theft protection, both a PPO and HMO Pet care plan, and much more.

Please make sure that you have opened the REAOC envelope marked **“Time Sensitive: Benefit Booklet Enclosed”** and have taken a moment to look through it as the open enrollment period ends December 7th.

Every year numerous calls are received from members who thought they did not need or could not afford insurance or they waited too long to submit their enrollment form and then had an expensive problem during the year. Unfortunately, the open enrollment period is strictly enforced and those members who failed to take advantage of these benefits during the open enrollment period had to pay the full cost of their work out of their own pocket.

If you have questions or need assistance in filling out the enrollment form, please contact Pacific Group Agencies directly at (800) 511-9065 or REAOC@pgagencies.com.



2013 Scholarship Applications

REAOC's ninth annual Keith L. Concannon Scholarship Program will be launched in January 2013. Applications will be available at the January 23, 2013 luncheon at the Mile Square Park Banquet Facility. Applications may also be requested on or after January 2nd by contacting the REAOC office by phone at 714-840-3995, by e-mail at reaoc@reaoc.org or by accessing the REAOC website at www.reaoc.org.

Applicants may include high school students entering college in September 2013 and students already attending an accredited educational institution as a candidate for a degree program. All applicants

must have a GPA of at least 3.0 and be related to an active REAOC member (Associate Member's relatives may not apply for these scholarships). Orange County residency is not required. Anyone who previously submitted an application and previous scholarship award winners may reapply if they currently meet the requirements. Be sure to read the application requirements and follow them carefully as they may have been revised.

Look for additional details in the January/February 2013 edition of *The Informer* and on the REAOC website.

REAOB Participates in Health Fair and CRCEA Conference



REAOB Board Members at the OCEA Health Fair. Left to right: John Iagjan, Sara Ruckle-Harms, John LaRoche, Faye Watanabe

On Tuesday, October 2nd, REAOB sponsored a booth at the 21st Annual OCEA Health Fair. The focus of the fair is to help educate the family of County employees, past and present, about healthy living. There were approximately 2,000 attendees this year. There were long lines for flu shots and over one hundred attendees received ultrasounds for detections of cardiovascular issues.

REAOB's goal at this event was to reach out to active employees and make them aware of our Associate Membership and encourage them to join now and transition to full membership upon retirement. Our booth was staffed with volunteers John Iagjan, John LaRoche, Sara Ruckle-Harms and Faye Watanabe. Along with a See's sucker or REAOB pen an Information Sheet and Application form were handed out to everyone who stopped by our booth. Employees were also requested to share the Information Sheet with their co-workers. One active employee completed his application and paid his dues on the spot.

REAOB was represented at the CRCEA Fall Conference by Lou Scarpino, our Legislative Analyst, and other Board Members. The con-

ference took place on October 22-24 in Modesto and was hosted by Stanislaus and Merced Counties. Activities included the Keynote Address, various presentations, Round Table Session, Legislative Report, Business Session, Hospitality Receptions and an evening banquet. A 13-page white paper, "Transition to 401(K) Plans, A Train Wreck In The Making, Part II", was also presented at the conference. A full report on the conference will be included in the January/February 2013 edition of *The Informer*.

June Marcott

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dures, Operation Santa Claus/Senior Santa project. She also requested that other Board Members develop guidelines regarding their assignments.

June said that it has been her honor to serve the REAOB Board and its members. On behalf of all REAOB members and the Board of Directors we thank her again—as we did at the September luncheon—for her dedication and service. And we hope to see her at future luncheons.



Operation Santa Claus/ Senior Santa and Friends



Since 1962 Operation Santa Claus has been providing gifts to children who are abandoned, neglected, abused, needy, or placed in foster care in Orange County. In 1992 a Board was formed to reach out to more children, needy seniors and disabled adults through Senior Santa and Friends.

Donation boxes for both programs will be available at the December 5th REAOB luncheon. Gift suggestions for toddlers are items that make noise and books with buttons that produce sounds when pressed. Teens would be happy to receive gift cards as well as electronics, watches, colognes, and lotions. Gift cards to Target, Walmart and chain grocery stores are welcomed gifts for seniors and disabled adults.

Cash donations and gift cards payable to Operation Santa Claus or Senior Santa and Friends can be mailed to: Operation Santa Claus, 1505 E. Warner Ave., Santa Ana, CA 92705. Donations may also be dropped off at the Holiday Store located at 1505 E. Warner Ave., Santa Ana or at County libraries. To receive a tax deductible letter, please include a legible name and address with your donation.

Volunteers are needed in December to assist at the holiday store. Volunteers work four-and-one-half-hour shifts. To volunteer or for more information please contact Mona Gustafson at (714) 679-2438.

Thank you for your contribution and for helping to brighten someone's life this holiday season.

Hemet Chapter Luncheon on December 11th

 REAOC's Hemet Chapter will hold its next luncheon on Tuesday, December 11, 2012 at 11:30 a.m. at the First Presbyterian Church located at 515 E. Kimball in Hemet. The cost is \$9.50 per person. Make your reservation by calling Jeri at (951) 672-4594 or Erma Phillips at (951) 654-4312.

Upcoming luncheons will be held on the second Tuesday in February and April 2013.

On the Calendar: 2013 REAOC Luncheons



January 23
 March 27
 May 22
 September 25
 December 4

Holiday Luncheon Menu for December 5th

Roasted Tri-tip with Teriyaki Sauce
Roasted Red Potatoes
Garden Vegetables

House Salad with Italian or Ranch Dressing

Fresh Baked Rolls

Dessert

Coffee and Iced Tea



Directions to Luncheon at Mile Square Park, Fountain Valley

Mile Square Golf Course is located in Mile Square Park, 10401 Warner Ave., Fountain Valley. From the San Diego Freeway (405), take the Warner Ave. exit and proceed East on Warner. Turn into Mile Square Park Golf Course Clubhouse entrance at Ward St. and park (parking is free). Mile Square Park is bounded north by Edinger Ave., south by Warner Ave., east by Euclid Ave. and west by Brookhurst.

Luncheon Reservations Due Wednesday, Nov. 28, 2012

Print Name: _____
 New/Changed E-mail Address: _____

of lunches at \$17.00 each: _____
 # of Vegetarian lunches: _____
 Enclosed is my check for \$ _____

Check-in begins at 11:00 a.m. and lunch is served at noon. Please make your check payable to REAOC and mail to: REAOC, P.O. Box 11787, Santa Ana, CA 92711-1787
 Also enclosed is a separate check for \$ _____ payable to AREOC Litigation Fund.

PLEASE CAR-POOL!

Progressive Drawing \$300.00

Holly Presley of Orange would have won \$250 at the September luncheon had she joined us at the luncheon. Remember—you must be present at the time of the drawing to win!

See you on Wednesday, Dec. 5, 2012 at Mile Square Park.

AREOC Litigation Fund

Print Name: _____

Address: _____

City, State, Zip: _____

Enclosed is a check in the amount of: \$ _____

Please make your check payable to AREOC Litigation Fund and mail the check with this form to:

REAOC, P.O. Box 11787,
 Santa Ana, CA 92711-1787

Thank you very much for your contribution to this fund!

In Memoriam

We extend our deepest sympathy to the families and loved ones of those who meant so much to so many.

June to October 2012

- Angiuli, Leonard, Assessor
- Bean, Helen, UCI
- Bressert, Albert, OC Public Works
- Brice, Daniel, District Attorney
- Doan, Hoa
- French, William, CEO
- Good, Carol, Probation
- Haines, Polly, SSA
- Hartfield, Mary, UCI
- Lazenby, Harry, OC Public Works
- Mouton, Katherine, HCA
- Palmer, John, OC Fire Authority
- Plante, Nancy, OC Community Resources
- Schultz, Virgil, OC Public Works
- Smith, Judith, SSA
- Smith, Robert, OC Fire Authority

Surviving Spouse

Le Voir, Grace



Welcome, New Members

BOS: Eva Joyce Harrell

District Attorney: Dale Pierce, Darlene Olivarez, Susan Anderson

HCA: Cynthia Detweiler, Sandra Armstrong, William Hunt, Donna Breker, Jonathan Schiesel, Tamra Townsen, Debbie Power, James Dempsey

OCCR: Sylvia Byrd

OC Fire Authority: Patricia Sysak

OC Parks: Jeff Madler

OCPW: Jess Carbajal, Larry Clements

OCSD: Jay Leflore, Warren Hawkins, Robert Najmulski, Robert Kiefer, Steve Szabo

OCSC: Kim Tran

OCTA: David Maynor

Probation: Tony Chicas

SSA: Linda Bounds, Itara Kim, Laura Martinez, Kathleen Cooper, Fred Wallace, Nancy Davis

Superior Court: Laurie Tayco, Candra Valko, James Kunkle, Sheri Hampton

Not Stated: Bob Wilson, Raymond Osuna, Thomas Bessant, Susan Jenan, Mollie Ito, Laura Kirby, Yvonne Peebles



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FIRST CLASS
U.S. POSTAGE
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INSIDE THE INFORMER

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In The News

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Dated Material – Please Deliver Immediately