

# GIMME

# FIVE

**RPEC will give you \$60 in return for 5 new members!**

*If you recruit five (5) new RPEC members in one 12 month period, you'll automatically receive a check for \$60 from RPEC. \**

*Get \$60 for every five (5) members you sign up! No limit!*

**Plus... do your friends a favor by introducing them to the world of RPEC MEMBER BENEFITS!!!**

*The top three (3) recruiters will still win cash awards at the RPEC Annual Convention.*

*\*effective July 1, 2004*

**The Retired Public Employees Council executive board, officers and staff wish you a healthy, happy and prosperous 2005!**



## Retired Public Employees Council of Washington

*We're stronger TOGETHER!*

December 2004/January 2005 Toll-Free: 1-800-562-6097 Direct: 360-352-8262

### RPEC EXECUTIVE BOARD

- George Masten**  
President
- Howard Jorgenson**  
East. WA. VP.
- Ed Montermini**  
Western WA. VP.
- Anne Matthews**  
Treasurer
- Gail Spaeth**  
Secretary
- Rowland Williams**  
District 1
- Joe Brown**  
District 2
- Don McKay**  
District 3
- Tom Mitts**  
District 4
- Bill Ayres**  
District 5
- Larry Vogltanz**  
District 6
- Wanda Riley**  
District 7
- Jim Spangler**  
District 8
- Gwen Rench**  
District 9
- Charles Gelsleichter**  
District 9

### RPEC COUNCIL OFFICE STAFF

- Cassandra de la Rosa**  
Executive Director  
Cass@rpecwa.org
- Linda Olson**  
Office Manager  
Linda@rpecwa.org
- Barbie Montermini**  
Accountant  
Barbie@rpecwa.org
- Derek VanSpoor**  
Info Tech App Spec  
Derek@rpecwa.org

### **President's Message**

*By George Masten*

We had a very busy and productive 2004, and I look forward to an equally active 2005. During the past two years considerable effort has gone into strengthening local chapters, stabilizing membership and improving service. Leadership workshops for chapter officers are bearing fruit. My goal next year is full participation, so that every chapter has the tools to build a strong local organization. There are still a few chapters on the verge of dissolving that need help with revitalization, and I hope to accomplish that.

At the legislative level, in 2004 we won a minimum benefit for some of the neediest retirees. During the 2005 session we hope

to expand the number of retirees eligible for the \$1,000 minimum and provide improvements for the average retiree, such as changing the Age 66 COLA eligibility, improving the COLA, and fixing the rules for working after retirement.

As this is written, we have yet to know who the governor will be, but we are determined to work with whoever fills that post to obtain the information we need to further our organizing efforts. Increasing membership is a major goal for 2005 and if every member would recruit one new member – even a spouse – we would close to double our strength!

### **Executive Director's Report Watch for action during the 2005 Session!**

*By Cassandra de la Rosa*

The SCPP met on December 7, 2004 and took action on a number of items that are on the RPEC legislative priorities list. It's important to note that the following were considered as a package, and not as individual items:

Matt Smith, the state actuary, determined that gain sharing is a material liability to the pension system and must be pre-funded. When passed, gain-sharing was sold as a "no cost" benefit enhancement and no thought of funding was envisioned. Employer contributions for 2005-07 have been recommended at \$440 million. Gain sharing would add \$176 million to that amount.

Gain-sharing statues state that it is not a contractual right, but legal opinions are mixed on whether that would hold up in court. However, gain-sharing is an uncertain and small benefit, reasons given by our 2003

convention delegates for removing it from our list of priorities.

Rep. Bill Fromhold (D-Vancouver) is proposing a package of benefit enhancements in exchange for its repeal that would cost roughly one-half of gain-sharing cost over the next two years. His proposal includes:

- Expanding the \$1,000 minimum benefit to those retired for at least 25 years with 20 years of service credit (**RPEC request**);
- Providing those on minimum benefit a 3 percent indexed annual increase;
- Fixing the age 66 COLA eligibility (**RPEC priority**);
- Add 20 cents to the \$1.25 Uniform COLA (**RPEC priority**);
- Put in place the framework for "rule of 90" to lower retirement age for plans 2 and 3 (**RPEC priority**);

**(Continued next page)**

RETURN SERVICE REQUESTED

RETIREED PUBLIC EMPLOYEES COUNCIL  
1212 JEFFERSON ST SE STE 102  
OLYMPIA, WA 98501

NON PROFIT ORG  
US POSTAGE PAID  
OLYMPIA WA  
PERMIT #165

## (Executive Director's Report continued)

- Allowing employers to phase in recommended contribution rates over 4 years instead of immediately and establishes a contribution rate floor for future years (**RPEC opposes**).

The SCPP has already forwarded to the Legislature a bill that would fix the retire/rehire statutes, repealing the retroactive rule and establishing new limits that would allow a retiree to work a total of 3,165 hours over the annual 867 hour limit before losing benefits (**RPEC supports**).

This will be a busy session on our issues and we will need YOUR help in urging legislators to support our issues.

## Board Highlights

The RPEC Executive Board met in Olympia on December 14 and took action on a number of items. Items of most interest are:

- **2005 Budget** – The 2005 operating budget totals \$597,346, and includes salaries and benefits, operating costs, a new copier for the Council office, expanded recruitment efforts, lobbying and other expenses. Chapter presidents have a full copy along with notes explaining line items.
- **Action on Resolutions 4 and 5** – The 2003 convention referred these resolutions, which call for a committee to work on clarifying language contained in proposed resolutions and amendments, to the board. The board voted not to concur.
- **2005 meetings** – The board meetings from 2005 will be on the second Tuesday of February, May, August and December, in Olympia.
- **2007 Convention** – The 2007 convention will be at the Red Lion at the Park in Spokane, on Sept. 24-26.

Chapter presidents will receive a full set of minutes.

## OUCH!

Health premiums take a big jump effective January 1, 2005. Medicare retirees enrolled in the Uniform Medical Plan will see a premium increase of 31.5 percent, while those enrolled in managed-care plans will see an 11.5 percent increase. While the state increased its monthly offset for Medicare retirees to \$116.19 in 2005, retirees will shoulder more of the higher costs. RPEC will be watching the budget to ensure the offset is fully funded and retirees don't lose ground.

## Question Corner

*Does a member's spouse have to be a retired public employee to become a member of RPEC?*

**NO!** Spouses are automatically eligible as are death-benefit beneficiaries, whether related or not. You can sign up your spouse as a member and receive credit for recruiting a new member! **Recruit five new members within 12 months and you will get \$60 from the Council.**

## BEWARE! Are you paying too much?

If you and your spouse are on Medicare and get your coverage through the PEBB, it is very important that you check to make sure you both are paying the Medicare rate. For example, the 2004 premium for Uniform Medical was \$248 for **a retiree and spouse when both are on Medicare**. Those rates will go up to **\$362.15 for 2005**. If you have been paying too much, contact the Health Care Authority to get your premium corrected, then call the Council office for instructions on how to get a refund.

**At least two RPEC members learned at chapter meetings that they have been paying the non-Medicare rate for their spouses, in one case for over five years! One member has received a full refund. We are working on the second.**

## Chapter Chatter

**Joan Johnson** (Ch. 12) developed a telephone tree for her chapter that resembles a 100-year-old oak. She took advice and ideas from the Leadership Workshop she attended and used them to good advantage! Another Leadership Workshop graduate, **Marty Manahan** (Ch. 11), developed and implemented an impressive long-range plan for more member participation in his chapter.

## When does five equal sixty?

**Answer: When you recruit five new members during a 12 month period you receive \$60 from RPEC!**

**Dorothy Kiest** (Ch. 35) has recruited four new members since September! One more before next September and she gets \$60! **Colleen McGinn** (Ch. 3) **Rosalie Gittings** (Ch. 2) and **Emily Ray** (Ch. 2) signed up three members each; and **George Masten** (Ch.2), **Elvira St. George** (Ch. 1), **John Chromy** (Ch. 35), **John Jackson** (Ch. 19), **Wanda Riley** (Ch. 2), and **Cassandra de la Rosa** (Ch. 2) each recruited two.

## RPEC's Lois Clement named to pension committee

Governor Locke appointed **Lois Clement** (Ch. 7) to fill the PERS retiree vacancy on the Select Committee on Pension Policy (SCPP). The SCPP makes recommendations on pension benefit design and changes to the Legislature. Lois attended her first meeting on December 7 and voted to send a significant package of benefit improvements for actives and retirees for legislative consideration.

Lois serves on the executive board of her chapter and is active in local politics. She works part-time for Council 2. The position was held by Richard Ford (Ch. 3), who resigned to take a position on the Transportation Commission.

## Hold the dates!

The 2005 convention will be held on September 9-11, at the new Tacoma Convention Center. While we prefer to meet during the week, these were the only dates available when our decision was made.

## Keeping Our Image Bright

*By Ed Montermini, WW Vice-President*

The image created by any organization such as ours reflects its success in meeting the goals and service it provides to its members. It also measures how well it retains its members and attracts new members.

We go about doing this by structuring committees to guide our efforts with the help and assistance of our existing membership. An example would be the outstanding effort by our membership committee in establishing goals and giving direction to our membership at large so they can join in helping to meet those goals.

For the sake of discussion, let's consider these elements in terms of new and untried ideas that may lead to improving our image and move our organization to a higher level of success.

We start by recognizing that our primary purpose essentially ranges from uniting current and future members to protecting and improving pension benefits not only for those retired but those that will follow into retirement. And we do this in cooperation with other organizations.

Uniting active and retired public employees leads us to two areas that must be considered. First is the scope of our membership. Are we limiting our base by not opening our membership to active employees without those restrictions that are now in place? For instance, Should we consider

## PEBB Medicare offset increases in governor's budget

Retirees on Medicare who purchase health coverage through the Public Employees Benefits Board receive a monthly deduction in their premium to offset the fact that Medicare pays first and their comprehensive coverage second. For 2005, the offset is \$116.19 per month. Subscribers never see the money. It is reflected in the cost of their monthly premiums.

The governor's budget released in December adopts the Health Care Authority recommendation that the offset be increased by 13.5 percent in 2006, to \$131.88, and again in 2007, to \$149.68. Even though these are included in the budget, there is no guarantee that the new governor or the Legislature will adopt them. Our job will be to keep the pressure on.

opening membership to all public employees over the age of 50 with full membership participation? Times have changed and active employees are much more concerned about their pension programs than they were in the past. Secondly, are we providing all the tools that should be made available to our working committees in reaching our potential membership base?

Let's move to the area of protecting and enhancing pension benefits. The very first thing that needs to be shown is that there are ongoing dangers to these benefits and what we are doing not only to protect but also enhance those benefits. **WE SHOULD NOT BE RELUCTANT TO EMPHASIZE THE CONTROVERSY SURROUNDING THOSE BENEFITS.**

Last, but not least is our stated position that we are a non-partisan organization. Do we meet that test considering how we are so deeply committed to two organizations that are essentially partisan in their political views? Our membership is diverse in their views and perhaps more so with retirees. Should we actively broaden our affiliation with other organizations and, if so, to what degree?

There are times when we should think outside of the loop in order to generate new ideas and I believe that time has

**Visit us online at: <http://www.rpecwa.org>**