



Retired Public Employees Council Chapter 10 – Fort Steilacoom Area

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Meeting Date: Tuesday, February 13th, 2024
Meeting Time: Lunch at 11:00, Meeting at 12:00
Meeting Place: Black Bear Diner
Meeting Address: 10115 S Tacoma Way
Tacoma, WA 98499

NOTICE OF NOMINATIONS & ELECTIONS

**Nominations will take place at the March 12th meeting followed by
Elections at the April 9th meeting.**

Positions: President, Secretary, and 2 Executive Board Members

**If you have a Facebook, you can explore the new “RPEC District 8, Chapters 1, 10, and 12”
Facebook page at <https://www.facebook.com/RPEC12>.**

The Legislature is in session. The following report is from the RPECwa.org website:

Retiree Priorities Make Progress & Concessions

On Thursday, January 25th, the House Appropriations Committee unanimously passed [House Bill \(HB\) 1985](#), providing a one-time 3% cost-of-living adjustment (COLA) for Plan 1 retirees. However, citing a tight budget, the committee amended the bill to reduce the maximum monthly benefit from \$125 to \$110. Under the \$110 cap, 84% of eligible Plan 1 retirees get a full 3% COLA, where 92% of eligible retirees would receive a full 3% under the \$125 cap.

PERS 1 & and TRS 1 (referred to collectively as Plan 1) are the only pension plans managed by the Department of Retirement Systems (DRS) that do not receive automatic ongoing COLAs. RPEC has played a major role in passing four bills to provide one-time COLAs for Plan 1 retirees:

- 2018: 1.5% COLA capped at \$62.50 per month
- 2020: 3% COLA capped at \$62.50 per month
- 2022: 3% COLA capped at \$110 per month
- 2023: 3% COLA capped at \$110 per month. This bill also requires the Select Committee on Pension Policy (SCPP) to study and recommend an ongoing COLA proposal to the Legislature by the end of 2024.

HB 1985 was passed by the SCPP in November 2023, which acknowledged Plan 1 retirees' need for relief from inflation by raising the monthly maximum benefit increase to \$125. Governor Jay Inslee did not fund HB 1985 in his budget request to the Legislature, setting the stage for an uphill battle. The House of Representatives showed an eagerness to advance the bill by scheduling it for a hearing the second week of the Legislative Session and passing it out of the House Appropriations Committee well ahead of the February 5 deadline. The bill now advances to the House Rules Committee, where it must be pulled by a committee member, scheduled for a floor vote, and passed by the House by February 13. The bill will then progress to the Senate, where it may face a rockier path.

The House Appropriations Committee looked to cut additional costs by declining to act on [HB 2013](#), which had been scheduled for a vote alongside HB 1985. The bill, which also came from the SCPP, would end month-of-death pension prorating. Committee Chair Timm Ormsby cited a preference for recently filed [HB 2481](#) over HB 2013.

Under current policy, DRS prorates final pension payments to deceased retirees based on the day of the month of death. For example, if a retiree dies on the 15th day of a 30-day month, the final pension payment would be reduced by 50%. Month-of-death pension prorating can create two issues:

1. Many retirees get supplemental health insurance through the Public Employees Benefits Board (PEBB) and have their monthly health insurance premium automatically deducted from their pension. If the prorated pension payment is not enough to cover the monthly health insurance premium, the premium goes unpaid and the retiree risks losing their supplemental insurance in their final month of life. The cost of incredibly expensive end-of-life medical care is then passed on to the deceased retiree's survivors, who are stuck paying for it without supplemental insurance.
2. DRS processes pension payments on the final business day of the month. If a retiree dies and DRS is not notified before a full pension payment is initiated, DRS is required to "claw back" the overpayment from the deceased retiree's bank account. This frequently impacts retirees who pass away near the end of the month and can cause unexpected financial headaches for survivors as they settle the affairs of the deceased.

HB 2013 addresses both issues by ending month-of-death pension prorating, meaning that retirees receive full pension payments regardless of the day of the month of death. HB 2481, which was filed on January 25th, addresses only "issue 1" and not "issue 2". Instead of ending pension prorating, it requires the State to pay the month-of-death health insurance premiums for retirees who get their health insurance through PEBB. While it prevents retirees from losing their supplemental health insurance for their final month of life, it continues to require DRS to claw back pension overpayments. While fiscal information is not yet publicly available, HB 2481 will likely be less expensive than HB 2013. RPEC is monitoring the Legislature's work on this issue.

Keep apprised of RPEC's legislative efforts by attending the weekly Legislative Update Calls held each Friday from 2:00-3:00 PM. On your computer or tablet: Download the ZOOM program (free) and press Join a Meeting. When prompted, enter the meeting ID 890 4536 5250. When prompted, enter the Passcode 320296. Using a smartphone, dial (253) 215-8782. When prompted, enter the meeting ID. When prompted, enter the passcode. On the computer you can mute and unmute by pressing on the microphone. On the telephone, mute and unmute by pressing *6. If you want to ask a question or make a comment: on the phone press *9 to raise or lower your hand; on the computer or tablet, press reactions and then press the raised hand. The speaker will call on you when it's your turn. Keep your device muted when not speaking to keep the background noise down so everyone can hear. These calls are very informative, so I encourage you to join.

I look forward to seeing you on February 13th!

Robert Devlin, President, Chapter 10

Chapter 10 has only 1 trustee and 1 board member. This is a crucial election, so please vote!

February 2024 Executive Director's Report

We are now about 1/3 of the way through the short, 60-day legislative session. Thanks to your individual and collective efforts, our priorities are known by legislators and are moving through the legislative process.

Public Employees Benefits Board (PEBB) Update

In response to our budget proviso from the 2023 legislative session, the Health Care Authority (HCA) released the findings of a study highlighting healthcare plan options that would have the same excellent benefits available through the Uniform Medical Plan (UMP) Classic Medicare but would have more affordable premiums. The report will be discussed by the PEBB Board at its annual retreat on February 1st. HCA is recommending the adoption of a new configuration of UMP Classic Medicare. The medical benefits will remain unchanged in the new configuration. The pharmacy benefit would shift to an employer-managed Plan D pharmacy plan that nearly mirrors what is currently available in UMP Classic Medicare. HCA estimates this change will save retirees upwards of \$200 per month on premium costs. The new configuration is more affordable because the Plan D pharmacy benefit would be eligible for federal pharmaceutical drug subsidies. HCA will be hosting three virtual public forums and one in-person public forum in February to give retirees an opportunity to share feedback on this proposed new configuration. Details about how to register for the public forums will be available at www.hca.wa.gov. Information will also be published in the weekly NewsFlash and at www.rpecwa.org.

State Advocacy

Legislative Day 2024: Eighty-three meetings were conducted with legislators and staff. All told, nearly 200 RPEC and WEA-R members participated. We appreciate the excellent meeting summaries provided by attendees. This information will be useful in the spring as RPEC's Political Action Committee (PAC) considers endorsements for those seeking reelection.

Ad Hoc COLA for PERS/TRS 1: Thanks to your efforts and meetings that we have also coordinated with top fiscal policy decision-makers, Substitute HB 1985 is poised for a House floor vote. The bill will provide a one-time 3% COLA for retirees vested in Plans 1 with a cap of \$110 per month. Please reach out to your legislators and urge them to continue to support this bill.

Slightly lower premiums for the priciest PEBB healthcare plans: Through our efforts with the Office of Fiscal Management and fiscal policy leaders, the Governor provided a \$10 increase to the Medicare Explicit Subsidy in his preliminary operating budget. The state provides the subsidy to lower monthly premium costs. Those who have chosen the more expensive healthcare plans will benefit from the increase. As budget negotiations begin in February, we will be advocating for this increase to remain in the final budget act.

Weekly Legislative Update & bill tracker: All members are invited to attend the weekly Legislative Update held each Friday via Zoom from 2-3 p.m. The bill tracker is also updated each Friday. The tracker and Zoom link for the Friday Legislative Update are available at www.rpecwa.org.

Federal Advocacy

Fiscal Commission Act of 2023 Moves to House Vote: Your federal retirement benefits are, again, at risk thanks to legislation that was approved in January in the House Budget Committee and is poised for a full House vote. The [Fiscal Commission Act of 2023 \(H.R. 5779\)](#) will create a 16-member fiscal commission to search for ways to reduce the national deficit and balance the national budget. Retiree and senior advocacy organizations fear the Commission will prioritize Social Security and Medicare funding cuts over other federal expenditures. RPEC is sending official communication to House delegation members urging them to protect Social Security and Medicare benefits. A detailed [position paper](#) about the proposed debt commission is available at <https://retiredamericans.org>.

Executive Board Approves Strategic Plan

The Executive Board approved RPEC's strategic plan at its November meeting. The plan will guide RPEC's priorities through 2027. The plan was informed by research conducted in spring 2023 by AFSCME Retirees and data gathered by the Council Office. A background document, summarizing the strategic plan goals, is available at www.rpecwa.org.

Upcoming Events

Visit www.rpecwa.org for a full calendar of Council Office and chapter meetings.

- Feb 2, 9, 16 & 23 Legislative Update call (2:00 p.m.)
- Feb 8 & 22 Healthcare Workgroup (3:30 p.m.)
- Feb 9 Legislative Committee (10:00 a.m.)
- Feb 19 Council Office closed, Presidents' Day
- Feb 26 Executive Board Meeting (9:00 a.m.)