



# NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 45, No. 3

Honoring Yesterday—Protecting Tomorrow

March 2014

## PRESIDENT'S MESSAGE

By Susan Mallett



Last month, I provided a summary of the RESDC Board goals for the coming year. I am pleased to report that shortly after you received that newsletter, a number of Board members were busy with activities to advocate on behalf of retirees and to ensure timely and accurate communications.

SDCERA's Health Benefits Committee met in early February, a few months earlier than usual, to share the results of last fall's open enrollment efforts and to obtain an update on the Patient Protection and Affordable Care Act (PPACA) from their AON Hewitt consultants. The following information from the meeting is provided to keep retirees apprised of ongoing discussions about retiree health care and health plans.

First, some interesting facts about open enrollment and health plan participation. This year, 5816 or 36% of the 16,265 eligible retirees and surviving spouses enrolled in a SDCERA sponsored medical plan. Of those participants, nearly 85% or 4936 individuals are 65 years or older and are enrolled in a Medicare Advantage or supplement plan. That leaves the much smaller group of 880 individuals, under age 65, who are enrolled in Kaiser, Health Net or United Healthcare. Additionally, about 1000 eligible Tier I and Tier II members participate in the Health Insurance Reimbursement program for reimbursement of allowable out of pocket cost for health plan premiums other than SDCERA's plans. The remaining members, more than 60%, choose their medical coverage elsewhere that is "outside of SDCERA" such as recent retirees who continue their health plan through COBRA and others who use military health care or are eligible through other plans.

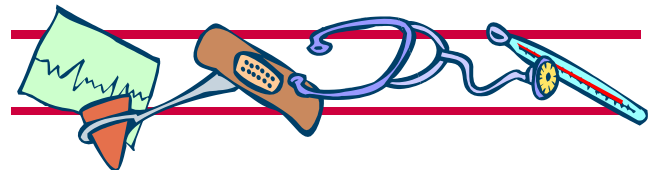
We are clearly in a time of significant change in health care eligibility, coverage, and the implementation of mandatory health plan enrollment on a national level. Since SDCERA is one of only three 37 Act Retirement Systems sponsoring health plans, out of a total 20 such systems, one might ask, "How long will health plans be

offered through our retirement system?" We believe the SDCERA sponsorship will continue into 2015 as their consultant remarked, "It is much too soon to tell how successful the alternative public health exchanges will be." At the recent SDCERA committee meeting, the consultants reported the mandatory health insurance enrollments are well below the enrollment goals set for the March 31<sup>st</sup> deadline at the national and state levels. They anticipate that little meaningful data will be available this fall to evaluate the success of the health plans provided through the public exchanges like Covered California. Further, the PPACA addresses health coverage for the pre-Medicare population i.e., those under 65 years of age. The smallest group now participating in SDCERA's sponsored health plans.

The Covered California exchange provides health plans from some of the same insurers who participate in the SDCERA plan program. The exchange plans are divided into metal groups ranging from bronze, at the lower premium but higher patient cost, through silver, gold, and platinum, with the highest premium but lowest patient copay costs. Our plans through SDCERA are considered to be in the gold to platinum range. On the exchange, individual plan premiums may be subsidized by the federal government based on income.

According to the consultants on the Medicare side of health care coverage, there are very competitive private exchanges offering health care enrollment and advocacy for those over 65 years of age.

The end result of all the discussion at this committee meeting was a request of SDCERA staff to provide retirees information about how to evaluate health care options. An important first question is, "Where do I get my health care now?" rather than, "What is the cost of one insurer's plan compared to that of another insurer?" How do you compare plans? Comparing premiums alone does not tell you what your real cost will be should you actually use the medical services, have ongoing health care requirements or use prescriptions meds. The Health Benefits Committee is expected to meet again in the spring. We will participate and keep you informed about these important health care topics.



## March Calendar of Events

**6—(Thurs.) SDCERA Board of Retirement Meeting**  
2275 Rio Bonito Way, Suite 200, 8:30 a.m.

**13—(Thurs.) RESDC Board of Directors Meeting**  
7860 Mission Center Ct., Suite 209, 9:30 a.m.

**20—(Thurs.) SDCERA Board of Retirement Meeting**  
2275 Rio Bonito Way, Suite 200, 8:30 a.m.

## SOCIAL SECURITY AND THE NATIONAL DEBT

*By Stan Coombs, Benefits Committee Chair*

The national debt increased to more than \$17 trillion last month, triggering a stream of articles from across the political spectrum. One of these, from the Heritage Foundation, blamed the event on entitlement spending, which it described as “the key driver of spending and debt,” and noted that it “remains unaddressed.”

Our \$17 trillion “national debt” exceeds the U.S. Gross Domestic Product (GDP), and yet it’s really only a small part of our total U.S. debt, as pointed out in a recent NETWORK article. Other debts of state and local governments, private households, nonprofits and businesses, brought the total U.S. debt to 13 times the GDP as early as 2009.

But, what’s this about entitlement spending? Is Social Security included in that indictment? Would cutting spending for Social Security benefits reduce our U.S. national debt? That’s certainly inferred by many deficit hawks.

Apparently not. In his article, “The \$17 Trillion Delusion: The Absurdity of Cutting Social Security to Reduce the Debt,” Marty Wolfson addresses that question. Wolfson teaches Economics at Notre Dame, was previously an economist at the Federal Reserve Board, and authored “Financial Crises: Understanding the Postwar U.S. Experience.”

The real U.S. government debt is more like 12 trillion dollars, than 17 trillion, when debts between federal agencies are excluded, including \$2.7 trillion the feds borrowed from Social Security to run the government rather than raise taxes. That makes our own Social Security the largest single owner of U.S. Treasury securities in the world - surpassing even China’s holdings of \$1.3 trillion - and is expected to exceed \$3.7 trillion by 2022.

All this came about because law requires Social Security to invest in Treasury bonds when they have extra funds on hand. Treasuries are among the safest of investments, and Social Security was almost guaranteed to have extra funds when, in 1983, a Reagan Presidential Commission recommended increasing Social Security revenues. The tax was soon bumped up to 12.4% (6.2% paid by both the employee and the employer), currently applied to the first \$113,700 in annual wages.

The increase was deliberately calculated to produce surplus funds, according to Wolfson, to cover unanticipated shortfalls if payroll revenue fell behind Social Security benefit costs. That’s why no shortfall was predicted for decades. Social Security has a \$2.7 trillion kitty under the mattress!

So, \$2.7 trillion of the U.S. national debt didn’t happen because some Social Security entitlement is out of control and the government had to borrow to pay pension benefits. It came about because workers prepaid taxes into Social Security before they were needed, and loaned those extra funds to the government.

What happens to the national debt if Social Security pensions are reduced? Wolfson says it gets larger. Reducing Social Security benefits would decrease expenditures while surplus tax revenues continue to flow into Treasury bonds, further increasing the national debt for years to come.

So is there a problem looming for Social Security? If so, are there solutions?

Yes and Yes. In a 1995 report, Social Security Trustees warned that their 75-year projection of program finances was no longer in “actuarial balance,” and long-range deficits should be “addressed.” Long-range meant potential problems way down the road.

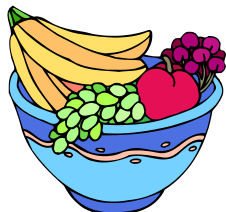
In 2002, the Trustees announced that needed improvements could be achieved by a permanent 13% reduction in benefits or a 15% increase in payroll tax income, or some combination thereof. Specific options suggested since then to achieve those changes include: increasing wages subject to tax to \$190,000 or removing the cap entirely; raising the total tax from 12.4% to 13.4%; taxing currently excluded health benefits; increasing retirement age to 70 years by 2040; paying current lifetime benefits over more years as life expectancy increases; or reducing annual COLA formulas.

**(Continued on Page 6)**



Identity theft is one of the fastest growing crimes in the United States. There are steps you can take to minimize your risk of identity theft including: destroying unused checks and credit cards, taking extra security with online purchases, being aware of phone scams and simply guarding your purse or wallet. Be sure you do not give out your personal information over the phone unless you are sure you know to whom you’re speaking. SDCCU® also encourages you to review your credit report at least once a year for free at [www.annualcreditreport.com](http://www.annualcreditreport.com).

Destroy your old personal documents the safe and easy way. Watch for another SDCCU Shred Day in the coming months. SDCCU is proud to be the Guinness World Record® holder for the most paper collected and shredded in 24 hours. For information on what to do if you think you’ve become a victim of fraud or identity theft visit [sdccu.com](http://sdccu.com) and search for identity protection.



## FROM THE DESK OF THE EXECUTIVE DIRECTOR

*By Denise Price*

### MARCH IS NATIONAL NUTRITION MONTH

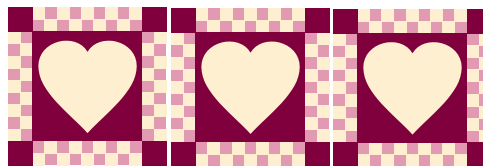
For adults over 50, the benefits of healthy eating include increased mental acuteness, higher energy levels and better management of chronic health problems. As we age, eating well can also be the key to a positive outlook and staying emotionally balanced.

Many older Americans, however, aren't eating well. In fact, one expert estimates that over one million homebound elders may be malnourished. Symptoms of malnutrition include fatigue, depression, anemia, muscle weakness and a compromised immune system. Malnutrition is not only caused by eating too little food or too few nutrients; it often results from a combination of physical, social and psychological issues.

Here are some tips for keeping you and your loved ones on the healthy eating track:

- **Eat nutrient packed food.** Fruits and veggies rich in color correspond to rich nutrients (for example, blackberries, melons, yams, spinach and tomatoes).
- **Snack between meals.** It's good to snack, but make sure you choose smart snacks between meals. Reach for almonds and raisins instead of chips, and fruit instead of sweets.
- **Eat with company as much as possible.** Eating with others can be as important as adding vitamins to your diet. A social atmosphere stimulates your mind and helps you enjoy meals.
- **Get help with food preparation.** Admit when you need a hand to shop, cook, and plan meals and find someone to help. It's important for your health not to revert to frozen dinners or takeout food.
- **Consult your doctor.** Many factors - including use of certain medications, chronic illness, difficulty swallowing and loneliness - can negatively influence eating habits. Be aware of changes in your appetite, and take action by consulting your doctor.

**Know someone who needs a healthy meal?** With funding from the Older Americans Act, the County of San Diego's Aging and Independence Services Department contracts with a number of centers to provide hot, nutritious lunches during the week, for adults age 60 and older. Besides promoting better nutrition, these centers reduce the isolation of many older adults who may live alone. For more information or to find a center near you, call 1-800-510-2020.

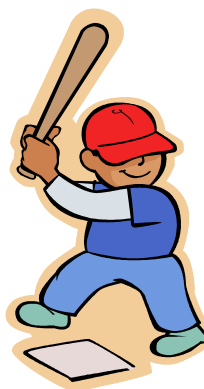


### BITS AND PIECES

**Jim Varonfakis** and his wife, Joyce, celebrated their 63rd wedding anniversary in December! Jim worked for the County for 24 years as an engineer in Public Works. They celebrated their anniversary at the Palm Springs Tennis Club.

**Lola Calabrese** celebrated her 89th birthday in November! She worked in Juvenile Probation for several years. Lola and her husband, Charles, have been married almost 65 years! They enjoy dancing together quite a bit. They have been on several cruises and traveled to China where they danced on the Great Wall.

**Lucille Baker** celebrated her 93rd birthday in December! She worked for ten years as a RN in the County Jail and retired in 1985. Lucille now lives in a retirement home in Tacoma, Washington. She and her late husband moved to Oregon after their retirements where they lived for 25 years. Lucille moved to Washington two years ago.

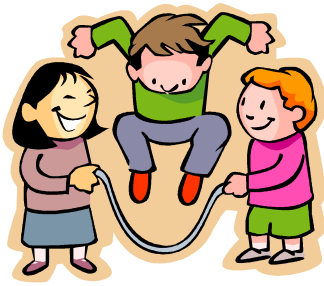


**First Day  
of Spring!  
March 20th**

### 2009 SCHOLARSHIP RECIPIENT UPDATE

**Theresa May-Krueger** wrote to give us an update on her grandson, **Kyle Bland**, who received a scholarship from RESDC in 2009. Kyle graduated last April from Pepperdine University in Malibu. He received a Bachelor of Science degree in Sports Medicine. Now he is attending the University of La Verne for an MBA in Health Services Management. Theresa's family is very proud of Kyle and they are thankful to RESDC for the support towards his education.

Theresa retired in 1999 from the Probation Department at Juvenile Hall.



### VOLUNTEERS (AGE 50+) NEEDED!

Do you enjoy spending time with young people? Ready to have some fun outdoors through moderate sports, dance, and game stations? Please join other retirees in the Intergenerational (IG) Games sponsored by HHS, Oasis, Palomar Health, and Live Well San Diego.

Please call Georganne to sign up for the North County games, (760) 744-5535. You must RSVP to participate in the games. This event includes **FREE** breakfast, lunch, tee-shirt, and Health Fair. Games will be held on April 3rd in San Marcos and April 10th in Rancho Bernardo.

Please call Sally Jackson to register for the South County Intergenerational Games, (858) 495-5525. these games will be held on April 10th at the Olympic Training Center in Chula Vista.



### 2014 SCHOLARSHIPS

Last call for the five \$2,000 RESDC Scholarship applications for 2014. The deadline for filing is **Friday, March 7th**. All applications must be delivered to our office at 7860 Mission Center Court, Suite 209, San Diego, CA 92108 or in the mail postmarked no later than that date. Be sure to check with references that they have sent their letters to meet the **March 7th** date. Late applications or reference letters cannot be accepted after the deadline date.

The filing date for the Yakel Scholarships at the San Diego Foundation closed February 5th. It is hoped that all applicants filing for the RESDC Scholarships also filed for the Yakel Scholarships. Together they are significantly helpful in defraying the ever-increasing cost of college tuition, fees, and books. The San Diego Foundation evaluates and determines who receives the Yakel Scholarships after verifying that the applicant is a child, grandchild, or great grandchild of a RESDC member.

Many, many thanks to Evelyn and Theo Yakel for establishing this Scholarship Program at the San Diego Foundation for the benefit of immediate family members of RESDC members. Many thank also to Mrs. Joan Liddell who continues to make generous contributions to the RESDC Scholarship Fund in honor of her husband, the late George Liddell, who initiated the RESDC Scholarship Program.

Good luck to all who filed for our scholarships this year. May your dreams of a higher education come true.



### WELCOME NEW MEMBERS

Steven C. DeLay	Probation
Lloyed Nakamura	
Kay Sunday	
Esa West	Court Interpreter



### QUESTIONS?

If you have questions regarding your retirement pay, your earnings statement, retirement benefits, health insurance coverage or medical pay allowance, please contact the SDCERA (San Diego County Employees Retirement Association) Call Center at (619) 515-6800 or toll free (888) 473-2372.



### CESAR CHAVEZ DAY Monday, March 31

Cesar Chavez Day is a State holiday in California. The day is commemorated to promote service to the community in honor of Cesar Chavez's life and work. The RESDC office will be closed on Monday, March 31 in honor of Cesar Chavez Day.

**ASSOCIATION OFFICERS**  
 President.....Susan Mallett  
 1st Vice Pres.....Stan Coombs  
 2nd Vice Pres.....Merrilyn Carpenter  
 Secretary.....Joan Wright  
 Treasurer....Frank Bittner

**ASSOCIATION DIRECTORS**  
 Carlos Gonzalez, Chris Heiserman  
 Chris Hinshaw, Joe McGuire  
 John McTighe, Janel Pehau  
 George Shoemaker, Mila Thurber

**EXECUTIVE DIRECTOR**  
 Denise Price

**OFFICE STAFF** .....Karen Hazel  
 .....Benjamin Hemmings

**NETWORK EDITOR**...Karen Hazel



**REMINDER:  
 SEE'S CANDY CERTIFICATES  
 INCREASE IN PRICE FOR 2014**

See's Candy has increased the retail price of their candy commencing January 1, 2014, to **\$18.00** per pound if you buy it at one of their stores.

You can purchase candy at See's Discount Store with your RESDC Membership Card for their discount price of **\$14.00** for a pre-packed 1-lb. box and **\$15.20** for candy certificates.

Our office will mail See's Candy Certificates to you for the price of **\$15.00** for each certificate.

Please send a check payable to RESDC for the number of certificates you want to purchase with a **business-sized (#10) stamped self-addressed envelope** (the certificates won't fit in a small envelope), to RESDC, 7860 Mission Center Court, Suite 209, San Diego, CA 92108-1329. For more than five certificates, please affix .70 cents postage on the return envelope. For orders of more than ten certificates, an extra envelope is required. The certificates will be mailed to you immediately.

**IN MEMORIAM**

Lieuetta Adkisson	Social Services
Mary W. Anderson	Sheriff
Robert A. Anderson	Probation Department
Michael Angus	Probation Department
Albert Arocho	Auditor & Controller
James Avila	Surviving Spouse
Pauline M. Becker	Surviving Spouse
Nayade Cabrera	Probation Department
Lloyd Cadwallader	Health & Human Services
Clifford L. Camacho	Surviving Spouse
Roy D. Clark	EDP
Evone L. Cox	Health & Human Services
Rosemary Degoursey	Surviving Spouse
Joyce B. Eisen	Health & Human Services
Johna L. Gorman	Social Services
Naomi J. Hamilton	Surviving Spouse
Dorothy Harbour-Roos	Sheriff
Richard C. Hartnett	Probation Department
Mary J. Hazzard	Surviving Spouse
George Helling	Revenue & Recovery
Anna L. Henderson	Health & Human Services
Ivan E. Hinkle Sr.	General Services
Jerry T. Hughs	Planning & Land Use
Carlos D. Hyche	Facilities Management
Beverly A. Jensen	Health & Human Services
Regina A. Jones	Marshal
Roy K. Jones	Health & Human Services
Ellen A. Knight	Probation Department
Sylvia G. Lawrence	Surviving Spouse
Greg M. Musico	Assessor
Gloria Pagayon	Health & Human Services
Janet E. Russell	Surviving Spouse
Carolyn E. Smith	Health & Human Services
Rennaye Stevenson	Sheriff
Michael F. Sullivan	Sheriff
Walter J. Walker	Health & Human Services
Valentino W. Watson	Sheriff
Helen Westfall	Surviving Spouse

**Gone from our sight, but never our memories.  
 Gone from our touch, but never our hearts.**

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, please call (866) 688-9229.

**MEMBER PRIVACY**

Any retiree or surviving spouse who does not want his/her death notice published in the "In Memoriam" section of this newsletter may notify the RESDC office and your privacy will be maintained.



**Office Hours:** 9 a.m. to 2 p.m. Monday through Friday.  
**TELEPHONE:** (866) 688-9229 Toll Free  
**FAX:** (619) 688-0766  
**E-MAIL:** [resdc@resdc.net](mailto:resdc@resdc.net)  
**Web-Site:** [www.resdc.net](http://www.resdc.net)  
**NETWORK** is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

**Business and Inquiries:** Business matters and address changes may be recorded on the office voice mail at any time, call (866) 688-9229. Please spell your last name so the correct member record can be located.

The information printed in the NETWORK is believed to be from reliable sources. However, no responsibility is assumed by the NETWORK for inaccuracies contained herein.

**Retired Employees of  
San Diego County, Inc.**  
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### Social Security And The National Debt (Continued from Page 2)

In 2010, expenditures finally exceeded non-interest income for the first time since 1982, when an earlier shortfall preordained the 1985 tax rate increase. Without changes, the trust funds will be exhausted by 2035, after which only 75% of promised benefits could be paid, all due to large numbers of baby boomers retiring, and fewer new workers due to lower birth rates. Perhaps that calculation should have included consideration of a contracted labor market, as well.

Thus far, there has been no corrective legislation. Congressional representatives as a whole are not personally threatened by weaknesses in the Social Security system. Their individual median net worth is reported to exceed \$1,000,000 and range to nearly half-a-billion.

But, Wolfson says those "improvements" won't reduce the national debt.

San Diego County retirement net assets increased \$17.6 million during December, increasing fiscal-year-to-date gains to \$493.6 million and total net assets to \$9.6 billion.

### BITS AND PIECES

**Editor's Note:** We would like to continue printing some Bits and Pieces items in this newsletter about our members.

If you have reached an 80th (or more) birthday, or 50th (or more) wedding anniversary, please call Karen Hazel at (866) 688-9229 or write RESDC, 7860 Mission Center Ct., Suite 209, San Diego, CA 92108. If you have taken an interesting or unusual trip or have had an interesting event happen recently, please let us know so that we can share your story with our other members.

You may also send your information to us by e-mail at [resdc@resdc.net](mailto:resdc@resdc.net).



Happy  
St. Patrick's Day



### HAVE YOU CHANGED YOUR NAME, ADDRESS, OR E-MAIL ADDRESS?

If you have changed your name recently, please let the RESDC office know your new name. We are making a large scale effort to update all the names in our database. Many times our members change their names due to new marriages or various other reasons and we are not notified. We are trying our best to match the names in our database with SDCERA's database. Often our members notify SDCERA about a name change, but we are never told.

If you have moved recently or are planning to move, be sure to provide RESDC with your new address and any changes to your e-mail address. We want to make sure you continue to receive your monthly NETWORK and all important e-mail announcements from us.

Call the RESDC office at (866) 688-9229 or e-mail us at [resdc@resdc.net](mailto:resdc@resdc.net) if you have any new changes to your name, address, or e-mail address.