



THE NETWORK

March 2021

Honoring Yesterday—Protecting Tomorrow

Vol. 52, No. 3

VIRTUAL RESDC - AGING & INDEPENDENCE SERVICES COMMUNITY PROGRAMS AND RESOURCES

RESDC has partnered with Aging and Independence Services to bring you a series of presentations throughout 2021! We are excited to announce our first presentation.

When: Tuesday, March 2 at 10:00 a.m. **Where:** Online Zoom Meeting Room

Unable to attend??? Visit the RESDC YouTube page at <https://www.resdc.net/news-events/> after March 2 where you can watch a recording of the presentation.

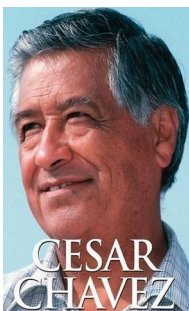
Program: The presenter, **Matthew Parcasio**, M.A. Gerontology is an Outreach and Education staff member of the Health and Community Engagement Team at the County of San Diego, Health and Human Services Agency, Aging & Independence Services. Matthew gained his in-depth knowledge of caring for cognitive and memory impaired persons through his extensive professional experience in Adult Day Healthcare, Assisted Living Memory Care, and Non-Medical Home Care settings. He expresses his passion for helping others in the support, education and resources he provides older adults, dependent adults, and their families in San Diego.



The presentation, **Aging & Independence Services (AIS) Community Programs and Resources** is an overview of nearly 30 programs and services provided by AIS and other local community resources.

RSVP: Visit www.resdc.net/events/#ais or you can call our office at 619-688-9229. Our staff is working remotely and will return all calls as soon as possible. □

CESAR CHAVEZ DAY WEDNESDAY, MARCH 31, 2021



Cesar Chavez Day is a state holiday in California and several other states. The day is commemorated to promote service to the community in honor of Cesar Chavez's life and work. The holiday celebrates the March 31 birthday and the legacy of the civil rights and labor movement activist Cesar Chavez each year. RESDC and SDCERA will be closed on Tuesday, March 31 in honor of Cesar Chavez Day. □

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PRESIDENT'S MESSAGE

By Stan Coombs



The Retired Employees of San Diego County remains, as always, a dedicated non-profit retiree organization, providing pertinent information, social opportunities and services to members. *THE NETWORK* is RESDC's monthly newsletter, intended to support that mission by advocating and providing information about retirement, RESDC positions and other matters of interest to members, government agencies and the general public.

We thank the several members who expressed opinions and offered advice about a recent piece in *THE NETWORK*, and regret any unintentional offense. We recommit ourselves to the described mission and guidelines.

This month we continue to cover important aspects of the coronavirus pandemic in *THE NETWORK*, and report other retirement news items we have room to include.

Our national pandemic is reported to have increased to more than 28 million cases, deaths are nearly 483,000, and more contagious mutations of the coronavirus have arrived in the country, variants they're called. Our experts aren't sure how well the vaccines and current therapeutics will deal with them.

On the upside, we have two effective vaccines and approval anticipated for several more, 50 million Americans have received first and second doses, according to Bloomberg, with 65 and older folks now eligible. The new administration, having taken office on January 20th, says they'll vaccinate 150 million Americans during their first 100 days, which means about April 29th. Almost 1.7 million shots are being administered daily. New case counts have dramatically fallen after holiday surges.

On the financial side, the pandemic has stopped enough business activity to hurt hundreds of millions of wage earners. Congress has "bit the bullet," by approving a total \$3.2 trillion in relief and stimulus funding so far, about equal to half the 2020 U.S. annual budget. The last approval was called "a down payment" by proponents of another proposed \$1.9 trillion stimulus, including more relief checks for individuals.

A recent report from the USC Department of Economics and School of Public Policy, entitled "The Impacts of the Coronavirus on the Economy of the United States," estimates net U.S. Gross Domestic Product losses alone from the pandemic could range from \$3.2 to \$4.8 trillion, depending on the severity of three hypothetical circumstances, modest to disaster. GDP, of course, is the total value of goods produced and services provided in a country during one year.

The impacted include those on Main Street, not just big business. U.S. unemployment rose to 14.7% during the COVID pandemic, and remained at 6.7% in December. Figures from a U.S. Census "Household Pulse Survey" show 28.5 million without enough income to properly eat

and 15 million behind on their rent. More than 175 million are having difficulty covering normal household expenses.

Folks at the bottom of the ladder are bearing the brunt, with the majority of lost jobs low paying. Indeed, the lowest paying industries, which provide 30% of all jobs, accounted for 58% of lost jobs between February and December, according to the survey.

For some, a last resort may be the tapping of retirement plan savings. Not to be taken lightly or unnecessarily encouraged, but when there's little food on the table and the rent is months in arrears, drastic measures may be unavoidable.

At least two million workers have already pulled retirement plan savings, according to a *New York Times* article by Tara Bernard. That's a small proportion, we're told, about 5% of all eligible clients of the five largest plan administrators. But that may be because folks with 401(k) plans aren't the people who've lost their jobs. There are mixed reports. Kiplinger found that a third of respondents in their poll of 744 forty-to-seventy-four-year-olds took distributions or loans from their accounts. The withdrawals ranged from \$25,000 to \$100,000, they said.

Taking money from a tax-deferred account before 59½ years of age normally triggers a hefty 10% penalty, plus applicable income taxes. But section 2202 of the March 2020 CARES Act generally describes expanded distribution options and tax treatments for up to \$100,000 of coronavirus-related withdrawals from eligible retirement plans for qualified individuals. 401(k) plans, 403(b) plans and IRAs are included. The legislation also increases the limit a qualified individual can borrow from an eligible plan, and increases the time allowed for repayment.

Qualified individuals for such a withdrawal are listed in Internal Revenue publications, including: persons diagnosed with SARS or COVID-19; persons with spouses or dependents diagnosed with SARS or COVID-19; persons experiencing adverse financial consequences due to quarantining, furloughs, lay-offs or reduced work hours due to SARS or COVID-19; persons experiencing adverse financial consequences due to lack of child-care due to SARS or COVID-19; and, persons experiencing adverse financial consequences due to closure or reduced hours of operation of a business owned or operated by the person.

A word of warning; very carefully consult all applicable CARES Act and IRS requirements, and with your tax expert, before withdrawing or borrowing tax-deferred savings. As with all things IRS, the rules can be complicated. Some CARES Act information can be found on Internal Revenue's "Coronavirus-related relief for retirement plans and IRAs."

The best to you all until next month. . . . Stay safe! □

March Calendar of Events

2—(Tues) Virtual RESDC—Aging & Independence
10:00 a.m. Via Zoom Conferencing, **See Page 1**

11—(Thurs.) RESDC Board of Directors Meeting
Via Zoom Web Conferencing, 9:30 a.m.

18—(Thurs.) SDCERA Board of Retirement Meeting
9:00 a.m.

31—(Wed.) Cesar Chavez Day
RESDC and SDCERA Holiday.



PENSION FACTS

Retiree Benefits Help the Flailing Economy

By Chris Heiserman, Director



Last April after the huge pandemic-fueled stock market sell-off that began in February, *The New York Times* referred to public pensions in an article as “the time bomb of government finance.” In the piece suggesting the coronavirus health emergency was making the nation’s public pension plans funding crisis even worse, it reported that Moody’s investment

services estimated state and local retirement funds had lost \$1 trillion in the market.

Not surprisingly, the *Times* article drew an immediate response from Dan Doonan, Executive Director of the National Institute on Retirement Security (NIRS), a non-partisan, non-profit research group based in Washington, D. C. that promotes the economic value of traditional pensions. In an April 2, 2020 letter to the *Times*, Doonan said the article ignored “the historical ability of public pensions to withstand market downturns...” He also pointed out that “Pensions can act as an ‘economic stabilizer’ during volatile times because retirees with stable monthly pension income can continue to spend on basic needs, even during an economic downturn...”

A lot happened in the last unprecedented nine months of 2020. There is a great deal of context to decode -- images of the desperate economic conditions of struggling families, out of work breadwinners, long food bank lines, and perhaps millions of looming eviction notices contrasted with a record-setting market performance on Wall Street.

So, *The New York Times* was half right, sort of. It acknowledged the well-documented situation that many of the nation’s public employee retirement plans are chronically underfunded; however, it apparently did not

foresee the market’s rapid bounce back buoyed by big tech industry giants and massive federal coronavirus relief programs. It is a bit more complicated than another example of the rich getting richer, though that is certainly a big part of any Wall Street scenario since the majority of American households are not in the market in a significant way (minimal exceptions being as part of a 401(k) savings account, small to medium size trading contracts, such as Charles Schwab or E*TRADE, or through retirement plan portfolios). I reported in this column a few months ago that approximately 84% of stocks owned by U.S. households are held by the richest 10%.

Retirees with pension checks are helping prop up the economy largely without Covid-19 relief checks and unemployment insurance benefits (and supplements) or business paycheck protection grants. Regular defined benefit retirement checks are not at risk; in the RESDC President’s Message in the July 2020 NETWORK it was reported that our SDCERA retirement trust fund still had \$11.5 billion despite the spring market drop and could continue to pay pension obligations for more than a decade even if all contributions stopped (which, of course, they have not).

That is not to say there is no cause for alarm. The future fiscal health and viability of many retirement plans are suspect and the challenge of keeping retirement benefit promises made to public employees will have to be addressed. But for now, the hobbling of the Main Street American economy by the pandemic is of paramount importance.

And who is really at risk here? Alicia Munnell of the respected Center for Retirement Research at Boston College published a commentary in December 2020 declaring that the nationally debilitating pandemic story was not really about pensions or retirement. She pointed out that the Social Security program has not been affected by the pandemic and benefit checks continued to go out on time. She said even though some state and local retirement plans remain seriously underfunded long term, Covid-19 has not significantly worsened their plight.

Some major anticipated impacts of the pandemic did not materialize:

- The market did not collapse, it fell and then rebounded.
- Unemployment soared, but primarily among younger lower wage workers.
- Huge withdrawals from 401(k) accounts did not happen because many people with these accounts did not lose their jobs.
- State revenue shortfalls were less than expected because job losses were concentrated among lower paid workers.

Unfortunately, the flipside of the lack of COVID impacts on retirement systems is that those households with the least have been hurt the most. The road to economic recovery is likely to be long and tortuous. □

RECENT EVENTS

Research Brief: The National Retirement Risk Index: An Update from the 2019 Survey of Consumer Finances. The release of the Federal Reserve's 2019 Survey of Consumer Finances (SCF) provides, once again, an opportunity to take stock of retirement security. For this task, the National Retirement Risk Index (NRRI), is used. It compares SCF households' projected replacement rates — retirement income as a percentage of preretirement income — with target rates that would allow them to maintain their living standard and then calculates the percentage falling short. The brief's key findings are:

- From 2016 to 2019, the National Retirement Risk Index (NRRI) fell slightly from 50% to 49%.
- This improvement reflected gains in stock and, particularly, house prices, which were partly offset by lower interest rates and Social Security replacement rates.
- In 2020, the economy was hit by COVID-19 and the ensuing recession.
- Higher unemployment in 2020, offset somewhat by the continued rise in stock and house prices, increased the NRRI to 51%.
- In any case, half of today's workers remain unprepared for retirement, underscoring the need for universal access to employer-based savings plans.

To access the brief, visit:

<https://crr.bc.edu/category/briefs/>. □

**March 20th
is the first day of Spring!**



PENSIONS BENEFIT ECONOMY \$579 BILLION IN 2018

The \$578 billion in pension benefits paid to 24 million American federal, state, local government and private sector retirees in 2018, positively impacted our economies about \$1.3 trillion, increased the GDP \$703.9 billion in value added, produced \$191 billion in federal, state and local tax revenues, and supported close to seven million U.S. jobs, according to the latest edition of *Pensionomics 2021*, released in January.

Pensionomics is a bi-annual report series published by the National Institute on Retirement Security.

As retirees spent the pensions, they created an economic ripple effect, supporting the wages of millions of workers who made, transported and sold the goods and services purchased.

The \$510 billion in pensions directly impacted the economy when the funds were spent by retirees, \$354.6 billion in indirect impact was generated when the funds flowed on to businesses that supplied goods and services to the merchants who sold them to the retirees, and \$400.5 billion in induced impact was attributed to income generated by sale of goods and services to workers hired as a result of the direct and indirect impacts, bringing the combined economic benefit to \$1.26 trillion, *Pensionomics 2021* said.

For perspective, this \$1.3 trillion (rounded) impact exceeded the total economic impact of the entire \$1.1 trillion U.S. accommodation and food services industry.

Pensionomics 2021 reports that the expenditure of the pension benefits by retirees also supported \$703.9 billion in value added to the national economy (GDP), more than the entire \$648 billion U.S. transportation and warehousing industry in 2018.

Finally, these financial exchanges also produced \$191.9 billion in federal, state and local tax revenue, exceeding the \$95.5 billion in U.S. federal expenditures for education, training, employment and social services in 2018.

Each dollar paid out in the reported pension benefits is said to support \$2.19 in total economic output nationally, and each taxpayer dollar contributed to state and local pensions supported \$8.80 in total output nationally, because of retirement fund investment earnings and shared funding responsibilities of the employees and employers. □



SAN DIEGO COUNTY BOARD OF RETIREMENT APPROVES 1.5% COLA INCREASE FOR MOST RETIREES, MORE FOR SOME

Good news! The San Diego County Board of Retirement approved a 1.5% annual cost of living increase, or COLA, for most county retirees during their meeting on January 21st. Retirement staff indicated that some retirees in all tiers will receive slightly higher COLA's due to available COLA bank balances in their cases.

The COLA increases are based on state law, county retirement rules, and changes in the Bureau of Labor Statistics Consumer Price Index for San Diego. County pensions can be increased a maximum of 2% for Tiers B, C and D, and 3% for Tiers I, II and A. The increases will be effective on April 1, 2021.

To effect this COLA adjustment in accordance with state retirement law, the independent actuarial consultant to the Board of Retirement determined that the San Diego Consumer Price Index increased 1.015% between April 2020 and April 2021. Uneven changes in annual Consumer Price Index(s) must be rounded up to the nearest one-half percent, or to 1.5% in this instance.

County retirement COLA's are also affected by value accumulated in retirees' COLA Banks. In years when the Consumer Price Index increases more than the 2% or 3% maximums allowed, excess change beyond the 2% or 3% maximums is assigned to retirees' COLA banks and used to increase the COLA up to the maximum allowed, in years when the Consumer Price Index changes less than the 2% or 3% maximums. □

QUOTE OF THE MONTH

Life isn't about getting and having, it's about giving and being.

▪ Kevin Kruse



USEFUL CONTACTS FOR COUNTY RETIREES

SDCERA Administration

- Retirement checks
 - Withholding forms
 - IRS tax forms
 - Beneficiary change
 - Address change
 - Retirement Board meetings
- Phone: (619) 515-6800 or (888) 473-2372
 Website: www.sdcera.org
 Email: msc@sdccera.org
 Address: 2275 Rio Bonito Way #100,
 San Diego, CA 92108

SDCERA Health Plan Services

Phone: (866) 751-0256

Board of Retirement Members Elected by SDCERA Retired Members

- Skip Murphy smurphy@sdccera.org
- Alternate—Susan Mallett
smallett@sdccera.org

RESDC Administration

- Membership
 - Address/email change
 - *THE NETWORK* Editor
 - Board of Directors
 - Events
 - Scholarship programs
 - Discounts
- Phone: (619) 688-9229 or (866) 688-9229
 Website: www.resdc.net
 Email: resdc@resdc.net
 Address: 8825 Aero Dr., #205, San Diego,
 92123

RESDC Endorsed Insurance and Other Supplemental Benefits

- Pacific Group Agencies, Inc.
 Phone: (800) 511-9065
- My Senior Health Plan
 Phone: (800) 401-2796

San Diego County District Attorney's Office

- Elder Abuse
 Phone: (800) 510-2020 or call 9-1-1

San Diego County Aging & Independence Services

Phone: (800) 339-4661 □



RESDC NOW SELLS SEE'S CANDIES \$25 GIFT CARDS AT A DISCOUNT

See's Candies announced recent changes to their candy gift certificates program. They have discontinued the sales of their one-pound paper gift certificates and are switching to plastic gift cards instead. If you still have some of the paper gift certificates in your possession, rest assured they will still be honored at all See's Candies shops.

RESDC will offer \$25 See's Candies gift cards to our members at a discounted price of **\$22 each**. This is a \$3.00 savings over the retail price.

Please note that we only accept checks for purchasing See's gift cards. We are unable to accept cash or credit cards for See's Candies gift card purchases at this time. The gift cards are redeemable at any of the See's retail stores and for online purchases.

If you would like to purchase gift cards from RESDC, please address an envelope to RESDC, 8825 Aero Drive, Suite 205, San Diego, CA 92123. Enclose a check made out to RESDC for the number of gift cards you would like at **\$22 for each gift card**. Be sure to include postage stamps so we can mail the gift cards to you. Enclose one stamp if purchasing less than five gift cards. If purchasing over five gift cards enclose 70 cents of postage. If purchasing over nine gift cards enclose 85 cents of postage. See the postage chart at www.resdc.net/sees-candies-discount. We will supply the return envelope to put the gift cards into.

RESDC members are also entitled to a **10% group discount** at the two **See's Discount Stores: 3751 Rosecrans Street, San Diego, 92110; and 1830 Marron Road, Carlsbad, 92008**. You must show them your RESDC Membership Card for the discount. Be sure to mention that you are a member of Retired Employees of San Diego County. Occasionally a RESDC member is denied the discount by a clerk at these See's stores. When this happens, be sure to clarify that you are not an active County employee, but you're a member of RESDC. The county no longer participates in the See's group discount program. If you're still refused a discount, ask to speak to a store manager.

These new gift cards are redeemable online or at any See's Candies shops. □



INTRODUCE YOUR FELLOW RETIREES TO RESDC

Contact a fellow retiree or an active employee to tell them about the perks of membership and to encourage them to join the RESDC family. Give this RESDC membership enrollment form to your County retiree friends. □

Join Retired Employees Today!

☐ Retired Employee Membership

I, the undersigned, receive a retirement and/or survivors allowance from the San Diego County Employees Retirement Association. I hereby authorize SDCERA to deduct from my monthly retirement benefit \$5 per month for my membership in the Retired Employees of San Diego County, Inc. and to pay such deductions monthly to RESDC. This authorization shall continue until revoked by me.

☐ Associate Membership

I am an active or deferred San Diego County or Superior Court employee, or a non-County-affiliated spouse of a current RESDC member, and I have enclosed a check made out to RESDC for \$60 annual Associate Membership.

Name*: _____
First MI

Last

Last Four of Soc. Sec. #*: □ □ □ □

Email: _____

Phone*: (____) _____
☐ Cell ☐ Home ☐ Work ☐ Other

Address*: _____

Department: _____

Retirement Date: _____

Signature*: _____
SDCERA-3350

*Required

**Required for deduction of dues

Mail completed form to:
RESDC
8825 Aero Drive, Suite 205
San Diego, CA 92123



Kiwaniis®
San Diego - Downtown

KIWANIS CLUB OF SAN DIEGO

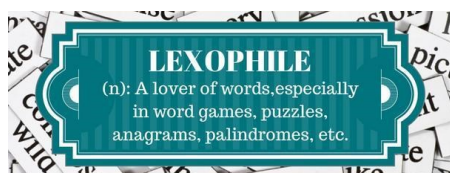
Are you ready to help create communities where all children thrive, prosper and grow?

The Kiwanis Club of San Diego's mission is to strengthen our community by supporting San Diego's youth with service projects that respond to our community needs. The projects focus on developing future generations of leaders. We are an organization of volunteers dedicated to changing the world, one child and one community at a time.

Our members are ordinary people performing extraordinary work. We are creative with our ideas. We are generous with our time. We are passionate about making a difference and we have fun along the way. Join our club and perform extraordinary things for youth in our community. Join us for lunch – while it's online and virtual for now, it's free and you'll experience an atmosphere of fun, friendship and purpose.

To learn more please visit:

<https://kiwanissandiego.wildapricot.org/>. □



FUN FOR LEXOPHILES (LOVERS OF WORDS)

A bicycle can't stand alone; it is two tired.

You are stuck with your debt if you can't budge it.

He had a photographic memory which was never developed.

When you've seen one shopping center you've seen a mall. □



ASSOCIATION OFFICERS

President.....Stan Coombs
1st Vice Pres.....Chris Heiserman
2nd Vice Pres....Janel Pehau
Secretary.....Carlos Gonzalez
Treasurer.....Frank Bittner

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Dolores Diaz, John McTighe
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Bruce Silva, Bob Summers

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFFMarge Elmendorf

....Karen Hazel

....Andrew Steele

NETWORK EDITOR....Karen Hazel

RESDC Office Email Address:

resdc@resdc.net



WELCOME NEW MEMBERS

Erin M. Gee
Aida F. Foronas
Connie R. Wong*

Superior Court
Agriculture/Weights/Measures
Health & Human Services

*Associate Members

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



Office Hours: 9 a.m. to 2 p.m. Monday through Friday.

Telephone: (866) 688-9229 Toll Free

Fax: (619) 688-0766

Email: resdc@resdc.net

Website: www.resdc.net

f @RetiredEmployeesofSanDiegoCounty
t @RESDC

THE 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.**
8825 Aero Drive, Suite 205
San Diego, CA 92123

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RESDC SCHOLARSHIP DEADLINE REMINDER

By Carlos Gonzalez, Scholarship Committee Chair



We want to remind our members that the deadline for students to submit scholarship applications is Friday, March 5, 2021; applications postmarked after this date will not be considered. Final results will be communicated directly to individual participants at the beginning of June. Be sure to remind your graduating high school scholarship applicants to have their applications into the RESDC office by March 5!

For more information about the RESDC Scholarship please visit: www.resdc.net/scholarship-program. □



BRIEF COVID-19 SURVEY

We asked our RESDC Board Members and staff a few questions about their coronavirus experience and activities. Here are the responses from 14 individuals.

COVID-19 SURVEY (since March 2020)

- 1. Do you personally know of someone who was infected?**
Eight knew of a relative infected, eight a friend, and three just someone.
- 2. Are you aware of someone who has died?**
Four know someone who has died.
- 3. Were you able to get a first dose vaccination appointment before Feb. 28th?**
Seven have been vaccinated.
- 4. Were you able to get a second dose appointment before Feb. 28th?**
Five got appointments.
- 5. Have you traveled outside of San Diego County?**
Six have traveled.
- 6. Do you get together with friends, socially distanced and masked, outside?**
Eight said yes, but rarely; five said no.
- 7. Masks**
 - a. All the time away from home (six)
 - b. Always when in proximity to others, even outdoors (nine)
 - c. Only when indoors, away from home (two)
 - d. Sometimes skip when with immediate family inside or outside your home (three) □



**Daylight Savings Time
Begins March 14th!**