



THE NETWORK



March 2023

Honoring Yesterday—Protecting Tomorrow

Vol. 54 No. 3

SAVE THE DATE RESDC General Membership Meeting Wednesday, April 12, 2023 Meet the SDCERA “C-Suite”!

RESDC members and guests are cordially invited to join RESDC in the SDCERA Board Room as the leadership of San Diego County Employees Retirement Association host a presentation and provide an overview of their work.

Come learn more about how SDCERA administers retirement, disability, and survivor benefits for more than 47,000 Members who are active, retired or former employees of the County (SDCERA's Plan Sponsor) or one of SDCERA's four Participating Employers (the San Diego Local Agency Formation Commission, the San Dieguito River Park Joint Powers Authority, the San Diego County Office of Education and the Superior Court of California - County of San Diego) or their beneficiaries.

This is your opportunity to hear from SDCERA leadership on the “State of SDCERA”. We hope you join us for this interactive and information session!

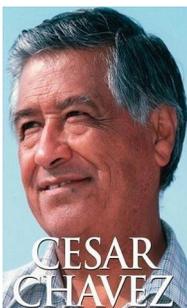
Make sure to stay tuned to the April Network for more details on this great event.

DATE: Wednesday, April 12th
TIME: 10:00 am – 11:30 am
LOCATION: SDCERA Office
2275 Rio Bonito Way
Suite 200 – Board Room
San Diego, CA 92108-1685



RSVP: To learn more about this presentation, including registration, visit: www.resdc.net/events or you can call our office at 619-688-9229. □

CESAR CHAVEZ DAY FRIDAY, MARCH 31, 2023



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 Friday, March 31** in honor of Cesar Chavez Day. □

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March Calendar of Events

- 1—(Wed.) RESDC General Membership Meeting, 10:00 a.m.**
RESDC OFFICE WILL BE CLOSED
 County Operations Center
 Building 5500 Room 120, San Diego
- 9—(Thurs.) RESDC Board of Directors Meeting, 9:30 a.m.,** Via Zoom Web Conferencing
- 16—(Thurs.) SDCERA Board of Retirement Meeting, 9:00 a.m.**
- 31—(Thurs.) Cesar Chavez Day**
 RESDC and SDCERA Holiday.



PRESIDENT'S MESSAGE

By Chris Heiserman

Did you see where more than a million people in France went to the streets recently to protest plans to raise the retirement age from 62 to 64? Like many countries, France has an aging population and increasing life expectancy. Since everyone there is entitled to a state pension, the government contends reforms are necessary to keep the pension system solvent. It shouldn't be a surprise that polls reveal most citizens oppose the changes, and that unions propose to tax the wealthy or require more payroll contributions from employers to fix the problem.

Pretty much every developed country has a retirement plan but the details of how they are funded and the level of benefits they pay are literally all over the map. Also, these national pensions aren't exactly top-drawer retirement vehicles that, by themselves, would sustain a "comfortable" post-work lifestyle (think the U. S. Social Security program which on average replaces only about 37% of pre-retirement earnings).

A great deal of information about retirement plans is available from the Organization for Economic Cooperation and Development (OECD), a data sharing collaborative forum of 37 democracies worldwide. According to OECD the normal retirement age is set to increase in most of these countries; delaying the start of benefit distributions to retirees saves money and recognizes that people are expected to live longer and continue drawing pension checks longer in the future.

Replacement of earnings is a pension statistic used to compare plans; however, national retirement plans vary so widely that this measure can be misleading. The basic assumption for OECD's net replacement rate is for a full career in the private sector from age 22 in 2020 to each nation's normal retirement age. This gets confusing when they factor in coverage from voluntary private pensions (significant in countries like Belgium, Canada, Germany, Ireland, Japan, New Zealand, the United States and others), boosting future replacement rates by an average 24%.

Considering "mandatory" retirement schemes alone, OECD says an average full career worker starting in 2020 could expect to receive 62% of their working income in retirement. OECD reports the replacement rates range from under 40% in Chile, Estonia, Ireland, Japan, Korea, Lithuania, and Poland to more than 90% in Hungary, Portugal, and Turkey. In this report the U. S. weighs in at about 50% (According to a 2021 OECD report, "Pensions at a Glance").

Just so we don't get lost in the weeds and lose perspective, let's look closer at the Netherlands, widely viewed as having a good national pension system. The basic benefit in the Netherlands is linked to 70% of the country's minimum wage (1934 Euros/ \$2087 per month in 2023), but the plan has two other sources, or pillars, that contribute to Dutch pensions: collective workplace plans and/or individual retirement savings or investment programs. Apparently 90% of businesses there provide opportunities for employees to enhance their retirement with occupational pension plans. The Netherlands pension replacement rate in the OECD report above was 90%.

The Dutch pension system was ranked highly in Mercer's 2020 Global Pension Index, earning high marks for adequacy, sustainability, and integrity. The index measures aspects of retirement plans that are likely to lead to improved fiscal benefits for the elderly, the likelihood of successful sustainability, and a high level of community trust and confidence. The index looks at both public and private retirement plans in each country.

In a table summarizing the Index's 2021 results, the Netherlands, Iceland and Denmark received scores above 80, representing an "A" grade. Israel, Norway, and Australia earned a "B+" with scores in the 75-80 range. The United States and France were awarded a "C+" by the index. The report description for plans in this range: "A system that has some good features, but also has major risks and/or shortcomings that should be addressed."

By the way, another common retirement system measurement is the funded ratio, the ability of pension plans to cover future promised benefits. An OECD chart depicting the funding ratios of selected defined benefit plans up to 2021 reported the Netherlands ratio as 114.8%, Finland at 137.2 and Germany at 132%. The United States had a 70.4 % funded mark. Interestingly, one of the top-rated plans in the Mercer's Index, Iceland, only had a 32.8% funded ratio.

It's useful to have a broader understanding of issues like retirement in the global arena. European countries generally have greater levels of social safety net programs than we do. Besides our national Social Security and Medicare plans, we have many private sector pension plans and a dizzying array of disparate state and local retirement plans. □



CONGRESSIONAL BILL COULD END WINDFALL ELIMINATION

The windfall elimination provision and government pension offset both can reduce the Social Security payments a public employee collects. But there's a bill in Congress, which has strong backing, that could eliminate both the windfall elimination provision and the government pension offset. Here's what you need to know about both and how it might affect your Social Security payments.

Windfall Elimination Provision (WEP)

The windfall elimination provision (WEP) reduces the amount of Social Security benefits people can collect if they receive a government retirement plan in addition to Social Security. It applies only to workers who did not pay Social Security taxes, and so did not earn credits toward Social Security income during their working years. According to the Congressional Research Service, roughly 6% of workers don't receive Social Security credits in a given year. Most are local, state, and federal employees who don't pay Social Security taxes because they qualify for government pensions instead. For example, these are federal civilian employees who receive their retirement through the Civil Service Retirement System. The rest are workers covered by alternative retirement schemes, such as Railroad Retirement, or poverty-level workers who earn too little to qualify. For each year that a worker pays Social Security taxes, they receive what the government calls a "year of overage." These are the credits that accrue toward the system, and each year of coverage increases a worker's ultimate benefits once in retirement up to a maximum of 30. Government workers who receive alternative pensions, such as teachers, police officers and civil servants, often don't earn years of coverage because they don't pay Social Security taxes. This is highly state-specific and does not apply to all state or local workers. Windfall elimination does not apply to someone who spends more than 20 years paying Social Security taxes, regardless of pension status. Also, it only applies to workers who receive some form of government pension.

Government Pension Offset (GPO)

The GPO cuts the benefits issued to retirees who receive both their own Social Security payments and a spouse's government pension payments. The GPO aims to prevent double earning by someone who begins collecting their spouse's retirement benefits. In the case of the GPO, it reduces a recipient's Social Security payments by two-thirds of the pension payments that they receive. For example, say that a government worker received a monthly pension of \$750. After their death, their spouse is eligible to continue collecting that pension. The pension offset, however, would reduce the surviving spouse's Social Security payments by \$500 per month. The GPO only applies when someone directly collects their spouse's pension benefits in addition to their own Social Security benefits, such as when that spouse dies. It does not apply to a household where both people are alive and collecting their own retirement benefits. It also only applies when the government worker did not pay Social Security taxes during their working years.

Why Public Employees Oppose WEP and GPO

Public employees have long called for Congress to repeal both windfall elimination and the pension offset. In particular, they say, it unfairly targets people who paid Social Security taxes during their working lives. For example, if a teacher also has a summer job in the private sector, they would earn Social Security credits through this work. Windfall elimination could reduce the Social Security payments that they receive even though they paid into the system through that second job. Other civil servants who work in states where they do pay Social Security taxes may find themselves caught up in a confusing system of overlaps, with their government pension set against their years of paying into the system. This can create confusion and lead to errors that reduce someone's lifetime benefits in retirement.

What Congress Is Poised to Do

Almost 340 members of Congress agree that it's time to eliminate the windfall elimination and retired public workers could benefit by more than \$6,000 per year. In 2021, Rep. Rodney Davis, R-Ill., introduced the Social Security Fairness Act. This bill would repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) from Social Security payments. If it passes public employees could see a significant bump in their retirement incomes, and it may pass soon. At time of writing, the Social Security Fairness Act had 294 sponsors in the House of Representatives. Its companion bill in the Senate had 41 sponsors. The measure has been placed on a legislative fast-track. By removing the Windfall Elimination Provision and the Government Pension Offset, this law targets two issues that public unions have long criticized.

The Bottom Line

Government workers have long opposed the WEP and GPO, two policies that have the effect of reducing the Social Security benefits of public employees. The House of Representatives is fast tracking a bill, which has an unusually high number of sponsors, to eliminate both. The Senate version also has a high number of sponsors.

This article is attributed to Eric Reed - Microsoft News – online and thanks to RESDC member and California Retired County Employees Association President Skip Murphy. □



RECENT EVENTS

Public Pension Funding Ratios Increased in 2022, NCPERS Study Finds.

Public pension funds' average funding ratio increased to 77.8% in 2022, with the majority of pensions' revenue (68%) coming from investment returns, according to an annual study by the National Conference on Public Employee Retirement Systems (NCPERS).

Now in its 12th year, NCPERS 2023 Public Retirement Systems Study: Trends in Fiscal, Operational, and Business Practices provides a benchmark for public retirement systems while tracking funds' fiscal conditions. A record 195 state and local government pension funds responded to the survey, which was conducted in the fall. These funds represent more than 19.6 million active and retired members with combined assets exceeding \$3 trillion.

Public pension funds saw, on average, one-year returns of around 11.4%. Of the various asset classes that pension funds invest in, real estate and private equity saw the largest returns last year.

"The study's findings highlight public pensions' resiliency in the face of volatile markets, rising interest rates, and disruption in the workforce during the COVID-19 pandemic," said NCPERS Executive Director and Counsel Hank Kim. "It's clear that public pensions remain dedicated to maximizing returns while managing risks in order to efficiently deliver retirement benefits to public servants all over the country," he added.

To access the study, visit: www.ncpers.org/surveys

Issue Brief: State And Local Government Contributions To Statewide Pension Plans: FY 21.

The National Association of State Retirement Administrators (NASRA) recently released an issue brief which documents state and local government contributions to statewide pension plans.

According to the US Census Bureau, on a national basis, contributions made by employers—states and local governments—in 2021 accounted for 76 percent of all contributions received by public pension plans. The remaining contributions were paid by public employees. A 2022 NASRA issue brief finds that contributions made by state and local governments to pension trust funds in recent years account for 5.0 percent of all non-federal spending.

Funding a pension plan takes place over many years and typically involves a combination of contributions from employees and employers, which are invested to generate investment earnings. The amount of contributions needed to fund a pension plan is calculated as part of an actuarial valuation, a mathematical process that determines a pension plan's condition and cost needed to pay promised benefits. Contributions are a vital source of public pension funding: of the \$10+ trillion in public pension revenue since 1992, 36 percent, or more than \$3.5 trillion, came from contributions paid by employers and employees. Of course, contributions provide the basis for investment earnings.

To access the brief, visit: www.nasra.org/adcbrief □

Daylight Savings Time Begins March 12th!



SDCERA SDCERA BOARD APPROVES MAXIMUM COLA

SDCERA retired members will get the maximum cost-of-living adjustment (COLA) this year.

- Tier I, II and A members: 3% increase and 4.71% goes in their COLA bank
- Tier B, C and D members: 2% increase and 5.71% goes in their COLA bank

The COLA will go into effect on April 1, and retirees and beneficiaries will first see it in their April 28 pension payments. Learn more about the COLA and COLA bank at www.sdcera.org/retired_cola.htm □



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 3, 2023; applications post-marked 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 3!

The deadline to apply for the Theo and Evelyn Yakel Scholarship is Wednesday, March 8 at 2:00 p.m.

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



March 20th
is the first day
of Spring!

USEFUL CONTACTS FOR COUNTY RETIREES

SDCERA Administration

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

Board of Retirement Members Elected by SDCERA Retired Members

- Skip Murphy smurphy@sdcer.org
- Alternate—Susan Mallett smallett@sdcer.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 Aging & Independence Services

Phone: (800) 339-4661 □



PURCHASE SEE'S CANDIES GIFT CARDS ONLINE

You can now purchase See's Candies gift cards in our new Online Store using your RESDC discount!

RESDC members are offered \$25 gift cards for \$22, a savings of \$3. Gift cards are redeemable at any See's Candies location or online.

To purchase gift cards online, go to: resdc.wildapricot.org/online-store. We can only accept credit cards to purchase gift cards online. You may not purchase more than ten gift cards in one transaction.

Note: You need a RESDC member self-service login in order to access the online store. If you need one, please email resdc@resdc.net.

RESDC members are entitled to a **10% group discount on selected items** at the two **See's Discount Stores: 3751 Rosecrans Street, San Diego, 92110; and 1830 Marron Road, Carlsbad, 92008**. You must ask the See's sales team which items are selected. You need to 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.

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 through the mail 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 postage stamp if purchasing less than five gift cards. If purchasing over five gift cards enclose 78 cents of postage. If purchasing over nine gift cards enclose 98 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. □



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

In Memoriam



Jocelyn Abadiano	Sheriff
Felipe Aquino	Sheriff
Rachel Arrington	Probation
Margaret Ball	District Attorney
Donna Beard	Superior Court
Yvonne Beth	
Adele Block	
Mildred Butler	
Virgie Cataldo	Marshal
Donald Clark	
Jimmie Cooksey	Air Pollution Control
Frances Courtney	Superior Court
Ofelia Curiel	HHSA
Ruth Delaune	Registrar of Voters
Lyman Dewell	
Corolina Domingo	Sheriff
Charlotte Dunning	HHSA
Rose Elwood	Sheriff
Stephen Erdberg	HHSA
Joan Faustman	Sheriff
Myrna Ford	
Barbara Frank	Probation
Mark Frial	HHSA
Marvin Galper	
Maria Garcia	Registrar of Voters
Starlet Giarratano	Assessor/Recorder/Cty Clk
Edelita Go	Sheriff
Kenneth Gourley	
Olivia Hernandez	Superior Court
Anthony Jucenas	Sheriff
William Kahn	Sheriff
Eleanor Kelley	
Molly Killian	HHSA
Philip Lawlor Jr.	
Delia Lemay	HHSA
Danny Lester	Public Defender
Rita Lieser	
Roberta Looney	Superior Court
Michael McFedries	Parks & Recreation
Pablo Molles	Sheriff
Jennifer Moore	Superior Court
Marie Nguyen	Superior Court
Barbara Norton	HHSA
Karen O'Hara	Sheriff
Denise Olson	Assessor/Recorder/Cty Clk
Joseph Patton	Sheriff
Aurora Peralta	HHSA
Janet Purtee	HHSA
Raymond Ramsey	
Juanita Rettinghaus	HHSA
Sandra Rios	HHSA
Dorothy Scavarda	Probation
Eugene Schmitt	Sheriff
Ronald Sealey	
Edward Severson	Public Works
Mary Shaw	
Frank Sheffield	Probation
Thounthara Silao	HHSA

Lillian Smith	Sheriff
Maria Stoddard	HHSA
Sherilyn Thurston	HHSA
John Vasquez	Superior Court
Joyce Vaughn	Probation
Sharon Villarino	Superior Court
Vankham Vongvanith	HHSA
Jack Walsh	HHSA
John Weber	
Faye Weiss	
George Whattoff	Public Works
Leslie Wynn	HHSA

MEMBER PRIVACY

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

The Surviving Spouse of a RESDC member is eligible for RESDC membership. For enrollment assistance, please call (619) 688-9229. □

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....Andrew Steele

....Rosita Haro

NETWORK EDITOR....Andrew Steele

RESDC Office Email Address:

resdc@resdc.net



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 @RetiredEmployeesofSanDiegoCounty
 @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

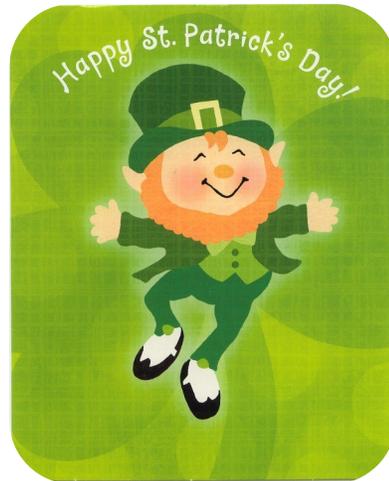
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PENSION FACTS AT A GLANCE

37%

In 2022, Social Security benefits replaced about 37% of past earnings.



QUOTE OF THE MONTH

Work harder than everybody. You're not going to get it by whining, and you're not going to get it by shouting, and you're not going to get it by quitting. You're going to get it by being there.

▪ **Barbara Walters**



WELCOME NEW MEMBERS

Frances Beckman	HHSA
Penny Bishop	District Attorney
Miriam Castillo	HHSA
William Gore	Sheriff
Maria Gradilla	
Greg Maizlish	Public Defender
Marisa Rosales	HHSA
Ava Salunga	Sheriff

*Associate Members

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

