CSU ERFSA Reporter

California State University Emeritus
and Retired Faculty & Staff Association

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Alliance Formed With AMBIA

By Harold Goldwhite, Executive Director

After extensive consultation, CSU-ERFSA's executive committee has approved an agreement with AMBIA, an Association for Member Benefits and Insurance Agency, to give you an opportunity to have access to a number of additional benefits including supplemental insurance programs, and a wide range of discount programs, that are available through CSU-ERFSA's alliance with AMBIA.

We also hope that the opportunity to access these programs will encourage more CSU retirees to become CSU-ERFSA members, thus strengthening your association. AMBIA (known as AMBA in a number of states that do not have the same restrictions as California – so you can find them on line at http://AMBA.com) is working with dozens of organizations that represent retired public employees. AMBIA has had great success in adding members to RPEA, the Retired Public Employees Association, an organization that CSU-ERFSA works with and supports.

AMBIA provides discounts on computers and electronics, household items, entertainment, dining, travel, hotels, rental cars, flowers, and more.

A letter of endorsement of AMBIA appears on page 3 in this copy of *The Reporter*. AMBIA has made a meaningful commitment to adding members to CSU-ERFSA. AMBIA will also help our association improve its visibility throughout the state

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RMDs: SECURE Act and CARES Act Updates

By John G. Kilgour, CSU East Bay ERFSA

Two recent developments concerning required minimum distributions (RMD) from IRAs and defined-contribution (DC) retirement plans (mainly 401(k), 403(b) and 457(b) plans) affect all of us. The first is the Saving Every Community Up for Retirement Enhancement (SECURE) Act. (Talk about starting with an acronym and searching for a title!) The other is the proposed update of the tables used to calculate RMDs.

SECURE Act. The SECURE Act passed overwhelmingly in the House by a vote of 417 to 3 in 2019. Had the Senate voted unanimously to pass the bill, it would have been enacted on a fast-track basis. Three senators declined to do so. Subsequently, the bill became Division O of the "must-pass" Consolidated Appropriations Act, 2020, which was signed into law by President Trump on December 21, 2019. Many of the SECURE Act provisions took effect almost immediately on January 1, 2020.

One of those provisions extends the required age for taking RMDs from 70½ to

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Pocket Calendar

For 2020 and later, the pocket calendar will be sent ONLY to those who have opted in - please notify the office at the email, phone, or address on page 2 if you would like to continue receiving the calendar.
Thank you.

From the President...

Dear Colleague,

We are near the close of another academic year. The Covid-19 virus has made it a challenging time for most of us and I keep hearing the mantra "we are all in this together" on the radio, which I guess is designed to comfort us, but it seems less than comforting to me.

The virus has disrupted our campuses and created new challenges for faculty, students, and administrators, as well as parents and the general public. While we have often faced medical alerts that could have catastrophic implications, these by and large have had a limited impact on us. The current health situation, however, seems broad in its implications and will likely last many months, if not years.

For CSU-ERFSA, as a consequence of the Covid-19 pandemic, we cancelled our spring State Council meeting that was scheduled to take place at the Cal Poly Pomona Kellogg Center. If the virus situation is still dangerous in October, we will likely meet virtually via Zoom instead of face-to-face at CSU Dominguez Hills. I have participated in several virtual "Zoom" meetings and, while they have shortcomings in terms of dialog and debate, they do, after a fashion, work.

One of the important items we will be taking up at the fall State Council meeting is elections. We anticipate having several committee vacancies, and the nominees for these positions need be confirmed by the State Council.

Additionally, the State Council is charged with electing the retired faculty representative to the ASCSU (statewide Academic Senate). I have represented emeriti on this body for the past two years, but given my responsibilities as CSU-ERFSA president, I feel that it would be best to have another CSU emeriti serve in this capacity.

Among the CSU-ERFSA leadership positions that will be open are the treasurer as well as membership in several of the standing committees and the associate webmaster. Details of the functions of the standing committees can be found at: https://bit.ly/2TaMM5W. More details about these elections will sent out in early September, but if you wish to notify us of your tentative interest in one or more of these positions, please send an email to: csuerfsa@CSUN.edu. In the subject line enter "Committee Interest."

In our continuing efforts to enhance the value of membership in CSU-ERFSA, we are partnering with AMBIA (Association Member Benefits & Insurance Agency). AMBIA markets travel insurance as well as supplemental vision and dental insurance which, for some retirees, may be more cost-effective than supplemental plans currently available through CalPERS or the CSU.

Known as AMBA outside of California, it partners with over 50 public pension systems in the US. Savings available through AMBIA are another perk of CSU-ERFSA membership.

In addition to the member benefits, AMBIA has promised us assistance in recruiting members, improving our website, and recruiting new members. Given the challenges facing California, it is important that our organization is as strong as possible to protect our members' benefits.

On behalf of the CSU-ERFSA Executive Committee, I want to wish you a wonderful summer. Stay safe.

Barry

Who Lives in California Nursing Homes?

A recent blog posting from Hans Johnson at the Public Policy Institute of California (http://www.ppic.org) explained the composition of the California nursing home population. First and most notably, in spite of a 25% increase in the number of seniors in California since 2010, the nursing home population is up only 1%, in keeping with the current emphasis both among seniors and among professionals in "aging in place" at home to the extent possible. The total number in nursing homes in 2018 was 87,500, which represented 1.7% of all seniors in California that year.

Second, like the senior population as a whole, women are the majority of those in

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CSU-ERFSA Letter Endorsing Association With AMBIA

To Whom it May Concern,

We are pleased to announce that the California State University Emeritus and Retired Faculty and Staff Association (CSU-ERFSA) has recently established a working relationship with Association Member Benefits and Insurance Advisors (AMBIA) as their exclusively endorsed benefit provider. AMBIA has an impressive record of helping retiree associations, such as the Retired Public Employees Association of California (RPEA), to increase membership. In these times of decreasing budgets, when pressures to reduce public employee benefits are growing, numbers count in influencing legislators and elected officials to help retain our hard-won benefits.

The added insurance benefits and discount-programs AMBIA provides have helped thousands of retirees throughout the state and will be one of the most attractive features of our membership. Being able to show potential members the benefits offered through AMBIA will help us recruit new retirees.

The several ways AMBIA will use to market their products to our association effectively is one of the keys to our success.

• AMBIA, at its expense, sends direct mail pieces advertising its benefits to members and non-members throughout the state.

• AMBIA Benefits Representatives will, upon request, visit CSU-ERFSA retirees in their homes or virtually via web conference to explain the endorsed benefits as well as educate members and non-members on why they should be members of CSU-ERFSA.

• AMBIA will help us identify new CSU-ERFSA retirees.

• AMBIA will partner with CSU-ERFSA at State Council meetings and will assist with anything from tote bags for attendees to refreshments.

• AMBIA Benefits Representatives will, when invited, attend local chapter meetings to present benefits to current members and attendees.

CSU-ERFSA looks forward to this partnership with AMBIA – a partnership that we expect will increase our membership and, most importantly, our visibility in California.

Sincerely,

Harold Goldwhite Executive Director

CSU-ERFSA -- AMBIA Alliance

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by direct mailings and on social media.

You can learn more about AMBIA at our website, http://www.csuerfsa.org. And in the near future an AMBIA representative may be contacting you by telephone to explain to you the extra benefits that AMBIA brings to your CSU-ERFSA membership. If you prefer not to be contacted in this way, please let us know either by emailing to csuerfsa@csun.edu or by calling at 818-677-6522.

Health Benefits Report: Covid-19 and CalPERS

By David Wagner, CSU Sacramento, CSU-ERFSA Health Benefits Director

Health Benefits Update. CalPERS has continued stakeholder engagement meetings via phone or internet. Stakeholder representatives are also sent periodic updates on CalPERS and Covid-19. The following reflects information from meetings and news updates as of May 6, 2020.

Contacting CalPERS. CalPERS headquarters in Sacramento and all regional offices remain closed at least through thru the end of May. Physically closed offices do not mean CalPERS cannot be reached. There are still several options for contacting CalPERS.

• The telephone contact center is fully staffed and you may reach representatives at 888-225-7377, Monday-Friday from 8 AM – 5 PM. Center operators are experienced and helpful. CalPERS now reports that call volume is back to normal levels after six weeks of decreased call activity.

• You can schedule a telephone appointment with personnel at regional offices by calling the contact center number listed above.

• CalPERS will continue to process documents sent by U.S. mail. Mail is routed to support team members to process and respond.

• Your myCalPERS account can be accessed to make information updates online.

• Publications and forms are available online at www.calpers.ca.gov

Covid-19 Care Coverage. At the last CalPERS board meeting, CalPERS announced that its health plans will cover all out-of-pocket costs for in-network care related to Covid-19. This includes copays and deductibles for testing and treatment. NOTE: this applies to testing and treatment in-network only, and this policy is in effect until the end of May. It may be extended beyond that period. No decision has been announced as of the date this report was sent for printing. Information will be posted on the CSU-ERFSA web page once we receive notice from CalPERS representatives.

2021 Health Plan Rates. As has been widely reported in the media, the pandemic is creating financial havoc for many hospitals. The cancellation of elective procedures and the reluctance of some patients to continue routine medical care or appointments have cost hospitals billions of dollars in revenue. There are questions on whether there will be additional government funds

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Pre- / Post-Retirement Concerns: Coping in Virus Times

By Tom Donahue, SDSU, Chair, Pre- / Post-Retirement Concerns Committee

Q. As a CSU-ERFSA Pre- and Post-Retirement Committee person, how are you coping with the Corvid-19 threat?

A. Personally (and thanks for asking), as a retired person after a long academic career, I am at that stage in which I presently feel like a long distance swimmer who suddenly becomes aware that the water is now very deep, and the shore rather too far away. To speak of our group at CSU-ERFSA, our Pre- and Post-Retirement Issues Committee has its usual focus on the state benefits for persons in retirement. I suggest, however, that in the matter of Covid-19 we look in an additional direction. Our personal benefits in the present crisis are of another kind: they occur in the habits of mind and behavior that we developed during our earlier academic lives that serve us well in our current times. As an over-arching example, in academic life we have a reader's eye, which helps us retain and then evaluate sophisticated information and is particularly advantageous when life is more perilous. A narrower example: as a habit of mind we ordinarily refer to technical matters with exactitude. It is the Corona Virus Disease for 2019, so specified to distinguish it from disorders of a different kind, coming at other times.

Let's be more specific. To begin with, after years spent on college campuses, we have the experience of working long hours in solitude, preparing lessons, doing research, and working through service assignments. The result yields an advantage during a time of suggested or required personal isolation (we typically have no difficulty in working or staying alone for long periods of time). In adapting material for presentation, we have an additional advantage of thinking ahead of time with quiet and rational judgment. In the pandemic crisis, which requires highly individualized judgment from citizens during events now characterized as a "war without a general," we are prepared to trust the thinking self when no one else is trustworthy for the task.

In addition, years of experience in developing a classroom culture have taught us how to conduct ourselves spontaneously, in a way that allows for a change in direction or in planning. We are told that the virus is spread in public by people who cannot—CANNOT—keep their hands clean and keep those hands from their faces. So when we are asked at the same time to avoid crowds and to stand in long grocery store lines full of people sneezing and coughing into their sleeves, we know to do a mid-course correction and shop at another locale or on another day. Further, in most of our research we have learned to appreciate other cultures and to have comfort among people quite unlike ourselves; this is useful when we now realize that mom and pop stores in enclave ethnic neighborhoods have paper products and other goods that cannot be found elsewhere.

We have all noticed that the regulations concerning behavior during the time of Corvid-19 have been firm and strictly applied. We all recall that early in our academic careers we came to rely on the sensibility of university staff members to inform us of regulations and best practices, and in retirement both faculty and staff members will recall becoming comfortably accustomed to local habits of structure and governing.

So, if we ponder this idea a bit, it might provide something of a very slight attitude adjustment during this dangerous time. Among our benefits are the advantages of usages and behaviors learned and practiced in years of academic life. Who can do otherwise than respect and in fact cherish that experience?

Please send questions for this column to Tom Donahue at donahue_thomas@ymail.com.

How One of Us Copes Personally

By Harry Sharp, Cal Poly SLO

"I am "sheltering in place." Well mostly. Some mornings I go to the grocery store, doing my best to complete the trip before "senior citizens hour" has ended.

Back home I grab the TV remote and click an all-news network. Topic number 1 is Covid-19. The female and male broadcasters are, respectively, beautiful and handsome. As a long retired professor of communication, I admire these talking heads; they are quite skilled. In front of the cameras at CNN or MSNBC, they drone on and on. All the while they share the screen with a display of depressing statistics: the cases and deaths worldwide arranged from hardest hit nation to least infected territory. For the USA, the state-by-state parallel list starts with New York. As of this writing it ends with Wyoming.

They deliver data galore. Insights, however, are few and analyses regularly superficial. As their speech teacher, I'd give them an "A" for delivery, but a "C+" on content and organization. It's time for this cranky old professor to get off the couch and onto the sidewalk. I begin my walk in search of fresh air, and hopefully, fresh ideas. Along the path I strive to stay six feet away from others heading toward me. I wave, say hello, and keep moving: the fresh air I sought is refreshing. I feel better.

Unfortunately the "fresh ideas and profound insights" for which I search hide in the bushes; so I walk faster. The consequence is sobering: The leaky mitral value of my heart reminds me I am old. Back home, I grab the laptop and delete a bundle of unsolicited emails. Among the few I read are one from a CSU-ERFSA colleague and another from one of my adult children.

One or two evenings per week I drive to a favorite restaurant to pick up dinner. The tip is more generous than usual. I presume it will be shared by the kitchen staff who still have a job. Perhaps naively, I imagine a portion of it will get to wait staff who have been out of work since we started "sheltering in place." I suppose many of those folks have lived paycheck to paycheck. I pray they were eligible for and have actually received a check: a share of the two trillion dollars that our Congress appropriated in early April.

At dinner my wife and I chat, sharing our sparse accomplishments of the day. Later I have glass of wine, maybe two. I am thankful that none of our kids or grandchildren is among the million Americans caught by Covid-19.

I am blessed that at age 82 I am not quite ready to go "gently into that good night."

Legislative Affairs: CalPERS in a Time of Turbulence

By Robert Girling, CSU-ERFSA Legislative Director, Sonoma State University

The last three months have seen unparalleled turmoil in the stock market as unemployment has skyrocketed to levels not seen since the Great Depression of the 1930s. All of this is putting pressure on the earnings of CalPERS and other retirement funds.

CalPERS had more than $400 billion in assets as recently as the week of February 16th. As stock markets reacted to coronavirus fears, CalPERS is down to an estimated $375 billion. But that may decline further. James Bianco, president of Bianco Research commenting on the partial rebound of stock market values in March said

"What the market seems to be thinking is we're going to restart, and we're all going to pretend that it's 2019," Bianco said. "And we're all going to stand on the subway platform with 500 other people waiting for the next train."

He cautioned that a recovery would be long and slow, regardless of the gargantuan fiscal and monetary outlays [by the Federal Reserve Board] to right the economy. (NB Stock prices partially recovered in March as investors reacted to near zero interest rates on savings by moving money into equities.)

"We are moving to a lower growth environment, and I think the market is a little ahead of itself right now in what that means," Bianco said. "There're going to be more changes and more evolution that the economy is going to have to go through before we're ready to start a full-on bull market."

Christopher Wolfe of First Republic Bank sees an ugly 1st and 2nd quarters with a possible recovery later in the year if the virus "stabilizes." But even so the specter of personal and corporate bankruptcies presents a huge unknown. And oil is in a "doom loop."

What does this mean for CalPERS beneficiaries and CSU-ERFSA members? The economy is clearly in uncharted waters, the wave of over 30 million idle workers and closed factories will adversely affect corporate earnings regardless of how much the Federal Reserve spends to prop up market valuations in addition to the $2.5 trillion already committed. Meanwhile, as pointed out in Popular Economics "Very little of our national wealth has consequently trickled down to the rest of us; except maybe for the top 10 percent income earners since the end of the Great Recession." (see http://www.populareconomics.com/) But the economy desperately needs income and spending by the middle and working classes to propel an economic recovery.

CalPERS is only around 71% funded and severe declines in asset values could mean an increase in the system's unfunded status requiring even more contributions from cities, towns, school districts, and the state. Some of these groups have seen recent rate hikes of as much as 20% due to past pension system losses and lowered expectations as to what the pension plan expects to earn in the future. Cities and towns in particular have expressed concern about bankruptcy or having to lay off employees to cover their CalPERS bills.

According to *Chief Investment Officer's* May 11th issue, "Moody's [a rating agency] is more downbeat than ever on local governments' fiscal stability, which is weighed down by the pandemic, as pension demands and other fixed requirements expand while tax revenue shrinks. …Cities and towns will see costs for debt and pension obligations gobbling up a larger share of their revenues, the ratings agency said in a report. Added to that is a projected drop in sales and income taxes, as well as property level income if a series of home defaults appear. In light of surging unemployment, all those appear very likely, Moody's indicated."

CalPERS Chief Investment Officer Ben Meng points out that CalPERS is a long-term investor in the sense that the pension plan is designed to live in perpetuity, and this provides certain advantages. However, the short-term is also vital: if the short-term results are askew the fund may not achieve its long-term objectives.

CSU-ERFSA members respect the work done by CalPERS staff and board working together to safeguard our resources and prudently manage our investments. We deeply appreciate the dedication and good-will with which CalPERS works for the people of the California and our state pensioners.

However, at the latest CalPERS meeting of the investment committee, serious concerns were raised about recent changes in the investment strategy and the removal of members from the investment committee, in particular the removal of the state treasurer and other members who asked pointed questions about CalPERS' investment strategy.

According to Bloomberg, "CalPERS had been warned about the perils of shifting strategy. At an August 2019 meeting of its investment committee, Andrew Junkin, then one of the pension plan's consultants at Wilshire Associates, reviewed the $200 million of tail-risk investments."

"Remember what those are there for," Junkin told CalPERS executives and board members, according to a transcript. "In normal markets, or in markets that are slightly up or slightly down, or even massively up, those strategies aren't going to do well. But there could be a day when the market is down significantly, and we come in and we report that the risk-mitigation strategies are up 1,000%."

"A number of [the CIO's] subordinates argued in favor of keeping the hedges in place, saying it was only a matter of time before the 10-year bull market in stocks came to an end, the people said."

In view of the controversy surrounding public perception of errors in judgment by the CalPERS staff, CSU-ERFSA would advise the board to retain independent financial counsel to assist in the interpretation of the very complex financial decisions and oversight that the Board is required to do. Perhaps this will avoid the desire by some members of the board to rely solely on unexamined staff interpretations and provide Board members with the basis for careful examination of alternative views where needed.

CSU-ERFSA is hopeful that the board will manage our investments in this time of great turmoil and uncertainty. CalPERS

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ASCSU Report: Year End and Covid-19 Academic Matters

By Barry Pasternack, CSU Fullerton, Emeriti Academic Senator

The final meeting of the ASCSU was held on May 7 and 8. As with the March meeting, due to Covid-19, this meeting was held in a virtual format using Zoom software. At this meeting we heard reports from several individuals and approved eleven resolutions.

Perhaps the most salient talk was by Chancellor White who spoke about the challenges facing the CSU as a result of the Covid-19 pandemic. The Chancellor thanked us for our work serving students this semester and noted that finding a vaccine for this virus may take longer than many are hoping. He noted that scientists have been working on a SARS vaccine for 17 years with little success. He expressed concern about the fiscal effect of the virus and its effect on our budgets for the upcoming years. He indicated that without a virus it could take at least two years to develop "herd immunity," and programs such as "social distancing" may be difficult to implement in classrooms and dorms.

Given that the Academic Senate formally ceases its operation after this meeting, any resolutions not acted upon at this meeting must be reintroduced at the September meeting of the new Senate. Hence, waivers are normally approved for first reading items so they can be voted upon. The resolutions passed were as follows:

Creation of a Holistic and Humane Educational Environment in the California State University – Calls for this goal to be a primary focus of the CSU and recommends establishing a task force to help accomplish this.

Opposition to AB 1930—CSU/UC Admission Policy – AB 1930 calls for admission requirements to be similar for the UC and CSU, with a concern that changes in eligibility would not have a disparate effect on public high school graduates who are members of underrepresented student groups.

Advising High School Juniors Intending to Enroll in the California State University (CSU) to Enroll in a Mathematics-Reinforcing Course in Their Senior Year.

Resolution in Support of ORCID (Open Researcher and Contributor ID) for the CSU – Information on ORCID can be found at: https://orcid.org/.

Endorsement of Criteria for Chemistry and Physics Model Curricula (MC) for Transfer to Receive the Same Admission Advantage as for Transfer Model Curricula (TMC) – Students who complete a TMC and earn a transfer AA degree get a bump in their eligibility score for admission to the CSU. For chemistry and physics, however, it may not be possible to earn a transfer AA and still graduate in 120 units. This resolution recognizes that it may be necessary for a student not to follow that TMC, and these students should also get the bump in their eligibility score.

Academic Senate of the CSU Calendar of 2020-2021 Meetings – This sets the calendar of meetings for the upcoming year and a half and acknowledges that it may be necessary to host some of these meetings in an online format.

Re-Affirming the Role of the Academic Senate of the California State University (ASCSU) and Campus Senates in Establishing Curriculum and Graduation Requirements – This reasserts the important role of the ASCSU and campus senates in establishing curriculum and graduation requirements.

Commending the Students, Faculty, Staff and Administrators of the California State University (CSU) System during the Covid-19 Global Pandemic of 2020.

Respecting and Engaging Disciplinary Expertise – Calls on the CSU to utilize faculty discipline expertise and discipline councils (where they exist) in curricular matters.

Opposition to Proposed Changes to Title IX – Opposes the changes in Title IX being proposed by the Trump administration.

A Comprehensive Faculty-Needs Assessment at All Campuses of the California State University – Encourages campuses to survey faculty to determine training and resources needed to successfully deliver curriculum in a non-traditional format.

In addition to the resolutions and reports, we acknowledged the contributions made by several senators not be returning in the fall. Among those who will not be returning, I want to send a special thank you to John Tarjan. John was vice chair when I chaired the ASCSU, and he is a true multi-tasker. He takes thorough notes during the Senate meetings, and these become an extensive many-page summary that he shares with members of the ASCSU. Much of the material in my reports has been based upon his notes.

[Ed. note: we also thank Senator Tarjan for his extensive notes, invaluable in checking particular points and getting a good sense of the flow of the meeting. Thank you, John!]

The last piece of business was the election of the ASCSU executive committee. The elected officers for the 2020/21 ASCSU are as follows:

Chair:	Rob Collins – SFSU
Vice-Chair:	Darlene Yee-Melichar-SFSU
Secretary:	Beth Steffel – CSUSB
At Large:	David Speak – Cal Poly Pomona
At Large:	Nola Butler-Byrd –SDSU

They are joined by Catherine Nelson, immediate past chair.

CSU-ERFSA Notices

New Email Address. The email Address csuerfsa@csun.edu is now the primary email address for CSU-ERFSA. Any email sent to the old address, csuerfa@csun.edu, will be forwarded.

Change of Address If you move, please notify the CSU-ERFSA office at the address on the masthead, on p. 2

CSU-ERFSA Announces 2020 Small Grants Awards

By Marshelle Thobaben, Chair, CSU-ERFSA Grants Committee

Applications are due electronically in the CSU-ERFSA Office no later than 2:00 p.m. PDT October 31, 2020.

Awards will be announced in December 2020.

CSU-ERFSA grants are available to CSU-ERFSA members to support research and creative projects that are in accordance with the following goals:

• Scholarly research on issues important to the retiree as a continuing member of an academic discipline or community,

• Research and scholarly projects that contribute to the quality of life of the retirees in the University system,

• Research pertaining to the retirement concerns of faculty/staff/administrators within the California State University System, and

• Research and creative projects that contribute to a given academic discipline.

CSU-ERFSA encourages CSU-ERFSA members involved in research and creative projects to apply for a grant. The small grant program is competitive, with past awards ranging from $100-$2,000, depending upon the number of proposals and the amount of money made available for grants by the CSU-ERFA Foundation. Preference is given to first-time grant applicants when grant proposals are of equal merit.

Grant applications and guidelines can be downloaded from the CSU-ERFSA Grant Awards Program web page at https://tinyurl.com/y5ol6at2, by calling the CSU-ERFSA office at (818) 677-6522, or, by emailing your request to csuerfsa@csun.edu. If you have qestions about the grants program, please contact Marshelle Thobaben, CSU-ERFSA Grants Committee Chair, at mt1@humboldt.edu.

Note: Grant Recipients are required to submit a final report of their Research/Creative Activities within one year from receiving a grant. Failure to submit a report will exclude an applicant from future grant awards. The final report template can downloaded from the CSU-ERFSA Grant Awards Program web page, or obtained by calling the CSU-ERFSA office at (818) 677-6522, or by emailing csuerfsa@csun.edu.

The CSU-ERFA Foundation welcomes tax-deductible contributions. See csuerfsa.org for more information. The CSU-ERFA Foundation is a 501(c)(3) charitable organization.

CSU-ERFSA New Members

Fresno – Corrinne Hales

Long Beach – Emelinda M. Parentela

Los Angeles – Connie Utterback

Northridge – Jerald G. Schutte

San Jose – Jonathan P. Karpf*
Thomas W. Leddy

San Luis Obispo – Josephine M. Ernest

San Marcos – Carol L. VanVooren

Sonoma – Robert S. Wilson

* Denotes lifetime member

CSU Retirees Receive COLA May 1st

From a report presented at the March CalPERS Board Meeting. "The annual rate of inflation as measured by the percentage change in the Consumer Price Index (CPI-U) was 1.81 percent through the 12 months ending December 2019. [Since] the applicable inflation rate is greater than 1 percent,…an adjustment will be paid to all eligible retirees."

"The Retirement Law provides for the payment of an annual COLA to be paid each May. However, the COLA is limited to the lesser of two numbers, the rate of inflation or the compounded COLA provision contracted by the employer. In addition, if a member's COLA increase is less than 1 percent in a given year, no COLA increase is applied for that year. Currently 95 percent of CalPERS retirees are subject to a 2 percent COLA provision. Fewer than 5 percent of all CalPERS retirees are currently subject to a 3, 4 or 5 percent COLA provision" (CSU retirees are covered by the 2 percent COLA provision).

"Over the last 20 years (1999-2019), the inflation rate has averaged 2.17 percent and the long term (1965-2019) inflation rate has averaged 3.99 percent."

CSU retirees who retired in 2004 or earlier will receive a 2% COLA. Those who retired from 2005 to 2015 will receive 1.81%. Those who retired in 2016 and 2017 will receive 2%. 2018 retirees will receive 1.81%. 2019 retirees are not eligible this year.

Turnout High for Last Year's CalPERS Board Election

The CalPERS retiree board seat election held last September had a high turnout rate for CalPERS elections, reflecting the intensity of the race between J. J. Jelincic and Henry Jones, who won. The turnout rate was 19.7% of the 604,192 eligible voters. Many CalPERS elections barely attract 5% of the eligible voters. Most who voted did so by mail (78%), with another 17% voting over the Internet, and 5% doing so by phone.

In other election news, Governor Gavin Newsom announced that all 20 million registered California voters will receive a ballot by mail in November. 72% of those who voted in the March 2020 primary did so by mail. While Democrats have been enthusiastic about the safety of voting by mail and point to the California experience as an indication that mail voting can be done safely, Republicans have been leery of the procedure, fearing fraud.

RMDs: SECURE Act and CARES Act Updates

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72. This change reflects the fact that people are living longer than they did in 1962 when the 70½ age was first adopted. It also recognizes that in 1962 the predominant retirement plan in the private sector was the employer-sponsored and funded defined-benefit (DB) pension with its lifetime benefits. It is now the 401(k) plan.

Participants in IRAs and/or DC retirement plans who have not yet turned 70½ can now postpone taking RMDs for another year and a half to two years, depending on their date of birth. That will allow them to retain more of their retirement savings, which will in turn make those savings last longer.

The proposed new tables will increase the "life-expectancy factor" used to calculate the required minimum distribution and reduce the amount of the annual required distributions.

This change will not affect those of us over age 70½ who are already taking RMDs. Nor will it affect the 80% of participants who start taking before age 70½ and/or withdraw more than the required minimum.

The SECURE Act made a number of other changes that apply mainly to inherited IRAs and DC pension plans that are too complicated to address here. Our heirs can worry about them.

Proposed RMD Updates. The RMD tables currently in use are based on life-expectancy data from 2002. Since then, life expectancy at birth has increased by 1.6 years, and at age 65 by 1.5 years, notwithstanding declines in recent years due largely to the Opioid epidemic.

In August 2018, President Trump issued EO 13847 directing the Secretary of the Treasury to determine if the life-expectancy and distribution-period tables should be updated to reflect current mortality data and whether future updates should be conducted annually or on some other periodic basis.

In November 2019, the IRS released Proposed Regulations to Increase Life Expectancy and Distribution Tables. The proposed new tables will increase the "life-expectancy factor" used to calculate the required minimum distribution. That will reduce the amount of the annual required distributions. For example, under the Uniform Lifetime Table (used for living participants with a spouse 10 years or less younger), the current factor for age 80 is 18.7. When the new tables become effective (almost certainly in 2021), it will be 20.2. The larger factor will decrease the amount of the annual RMD. On an account balance of, say, $100,000, the RMD will go down by $398. ($100,000 ÷ 18.7 = $5,348. $100,000 ÷ 20.2 = $4,950. And, $5,348 - $4,950 = $398).

As the participant's age increases, the life expectancy factor decreases and the amount of the RMD goes up. At age 90, under the proposed table, the life-expectancy factor will be 12.1 and the RMD amount is $8,264. At age 100, it is 6.4 and $15,625. So, you have something to look forward to.

The above examples assume a constant account balance of $100,000. That, of course, is unrealistic. The account balance will decline annually by the amount of the RMD and will fluctuate with the values of the assets in the account (which have recently taken a dive).

Over the past 10 years or so, the balance in most of our IRAs and DC retirement plans has more than offset our RMD withdrawals. That wasn't supposed to happen. When RMDs were introduced (in the ERISA of 1974), the idea was that average IRA balance would be zero when the average account owner died on schedule. We and the stock markets haven't done our part.

Actually, it is worse than that. Many account owners (and their spouses), especially those fortunate enough to have a generous CalPERS pension, will bequeath IRAs and DC plans to our heirs. However, that would get us into a whole other area of RMDs that I won't bore you with. Again, that's our kids' problem.

Implementation. By an interesting coincidence, the long planned and then delayed SECURE Act and the currently-proposed life-expectancy tables will take effect almost, but not quite, simultaneously. The main provisions of the SECURE Act took effect on January 1, 2020. Others kicked in by January 1, 2022. Meanwhile, the proposed life-expectancy tables will likely become effective on January 1, 2021. These overlapping dates will cause some confusion among participants, sponsors and plan administrators.

Another implementation concern is that life-expectancy tables are now to be updated annually. Life-expectancy data do not change that much from year to year. Requiring miniscule changes up or down every year will result in a great deal of unnecessary cost and bother. What was the IRS thinking? It would be more sensible to update the tables every five or 10 years.

Addendum: The CARES Act of 2020. Since writing the above, the retirement-income world has changed. From mid-February to mid-March 2020 the DJIA lost over a third of its value. It has since recovered somewhat, but is still down about 20% from its high on February 12, 2020 as of this writing (April 25, 2020). Defined-contribution plans that were heavily invested in equities took a major hit. That is, their net asset value declined significantly. If RMDs were taken from these reduced assets, it would result in a permanent decline in retirement benefits.

Congress responded with the Coronavirus Aid, Relief, and Economic Security "CARES" Act (Another acronym that went looking for words). It was signed into law on March 27, 2020. The CARES Act, among other things, allows beneficiaries to cancel RMDs from 401(k), 403(b) and 457(b) plans for 2020. All three have been sponsored by the CSU, but 403(b) tax-sheltered annuities (TSA) are the most common.

The CSU had dealt with five TSA providers: MetLife, TIAA, VALIK, Voya and Fidelity Investments. A few years ago, the CSU transferred the TSAs of active employee to a single vender, Fidelity Investments. Those of us already retired could either switch to Fidelity or remain where we were. (I stayed with TIAA).

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Opening Medicare to Those 50 to 64 Has Ironic Effects

Opening Medicare to Americans aged 50 to 64 would lower health care premiums for the group, but also drive up costs for younger people who buy health insurance on exchanges created under the federal Affordable Care Act, according to a RAND Corporation study. Under most scenarios examined, the study estimates that the premium to buy into Medicare would be about $10,000 per year in 2022. For many potential enrollees, this amount is a good deal compared to the individual insurance market, in which seniors are charged up to three times as much as younger adults.

While older exchange enrollees currently pay higher premiums, the analysis finds that, as a group, their care is less expensive relative to their high premiums. Younger people in the exchange tend to be less healthy and their care is more expensive than the premiums they pay. As a result, the analysis finds that enabling adults aged 50 to 64 to move to Medicare could increase premiums for those remaining in the individual health insurance market by between 3% and 9%.

“Our findings suggest that Medicare buy-in could offer significantly more-affordable health care coverage to older adults, while potentially leading to higher premiums for the pool of people remaining on the individual market,” said Christine Eibner, the study's lead author and the Paul O'Neill Alcoa Chair in Policy Analysis at RAND.

For a typical 50-year-old, buying into Medicare would cost about $2,500 less than buying a gold-level plan on the insurance exchanges, but be about $500 more than a bronze-level plan. Medicare offers significantly better coverage than bronze-level insurance plans, but unlike exchange plans, it does not have a maximum limit on the total amount of out-of-pocket spending a beneficiary might have to pay.

For a typical 60-year-old, the savings would be greater. For this group, buying into Medicare would cost about $8,000 less per year as compared to a gold-level plan on the insurance exchanges and $3,700 less than buying a bronze-level plan.

The analysis finds that opening Medicare to Americans aged 50 to 64 would not substantially change the number of Americans with health insurance. While such a move likely would increase the number of Americans aged 50 to 64 who have health insurance, the higher costs on insurance exchanges are likely to mean that fewer younger Americans would buy coverage. Under all the scenarios studied, a Medicare buy-in for Americans aged 50 to 64 would have no effect on the Medicare Trust Fund.

The study's finding that allowing 50- to 64-year-olds to buy into Medicare would drive up insurance costs for individuals in the marketplace runs counter to conventional wisdom, which argues that older adults drive up individual market premiums because they tend to have more medical problems. For the study, see: https://tinyurl.com/y8t3vona

RMD Changes in 2020

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There seems to be some confusion about how you cancel your RMDs for 2020. Does the beneficiary have to request the cancelation or can the plan impose it? I read two articles on the subject and came away confused. That prompted me to review the TIAA website and then call TIAA. I was told that the beneficiary had to request the waiver for 2020 (which I had already done). TIAA's reasoning was that many (most?) beneficiaries need the RMD to live on. That makes sense. I assume that the other TSA providers would interpret the CARES Act in the same way. But, check with your provider if different from TIAA.

I also learned that, if the 2020 RMDs is canceled, TIAA will re-start it for 2021. Again, I assume other providers would do the same. However, if with another provider, check on this. The penalty (excise tax) for failing to take an RMD is a draconian 50% of the amount not taken.

If you have already received your RMD for 2020, it gets complicated. The withdrawal is no longer deemed an RMD. It is just a withdrawal. If you do not want to take the withdrawal, it may be returned to the TSA within 60 days of receipt. If it has been more than 60 days, relief from the 60-day rule may be sought from the IRS. Good luck.

This addendum is written with CSU-ERFSA members – blessed with a generous CalPERS pension – in mind. If you do not need to take an RMD for 2020 (or keep an already received distribution), you should look into canceling (or returning) it. Your heirs will appreciate it.

Legislative Affairs: CalPERS

(Continued from page 5)

has weathered previous financial storms in 2000 and 2007-2009. We are heartened to know that CalPERS has taken some steps to reduce risk of the portfolio and improve the liquidity management. Yet we remain disturbed that CalPERS has not responded to member concerns and advice regarding its investments in fossil fuels, which have cratered by 90% in the current economic crisis inflicting unnecessary losses to our investments.

Both the University of California and Harvard University, the largest university pension funds in the U.S., voted to divest from all fossil fuel investments earlier this year. And Harvard instructed the endowment to develop a strategy to achieve net-zero greenhouse gas emissions from its investment portfolio by 2050. Yet at its latest investment committee meeting any kind of a report on environmental or sustainability invests was missing or moved to the closed session.

As we pointed out previously, climate risk poses a risk to approximately one-fifth of CalPERS' equity portfolio. Energy stocks, construction, and transportation are sources of the most significant risks. If returns to CalPERS remain below its 7% target then it is likely that employer and employee contributions will have to increase. When CSU-ERFSA recommended divestment, Exxon Mobil was trading at $70 while it is currently trading at $44.

It is now time for CalPERS to shift resources from sectors that risk our money and our future to projects and sectors that build an economy for the future such as renewable energy, cloud computing, infrastructure and affordable housing.

‘No Intubation’ - Seniors Fearful of Covid-19 Considering Changing Their Living Wills

By Judith Graham, Kaiser Health News

May 12, 2020, Denver — Last month, Minna Buck revised a document specifying her wishes should she become critically ill. “No intubation,” she wrote in large letters on the form, making sure to include the date and her initials. Buck, 91, had been following the news about Covid-19. She knew her chances of surviving a serious bout of the illness were slim. And she wanted to make sure she wouldn’t be put on a ventilator under any circumstances. “I don’t want to put everybody through the anguish,” said Buck, who lives in a continuing care retirement community in Denver.

For older adults contemplating what might happen to them during this pandemic, ventilators are a fraught symbol, representing a terrifying lack of personal control as well as the fearsome power of technology. Used for people with respiratory failure, a signature consequence of severe Covid-19, these machines pump oxygen into a patient’s body while he or she lies in bed, typically sedated, with a breathing tube snaked down the windpipe (known as “intubation”).

For some seniors, this is their greatest fear: being hooked to a machine, helpless, with the end of life looming. For others, there is hope that the machine might pull them back from the brink, giving them another shot at life. “I’m a very vital person: I’m very active and busy,” said Cecile Cohan, 85, who has no diagnosed medical conditions and lives independently in a house in Denver. If she became critically ill with Covid-19 but had the chance of recovering and being active again, she said, “yes, I would try a ventilator.”

What’s known about people’s chances? Although several reports have come out of China, Italy and, most recently, the area around New York City, “the data is really scanty,” said Dr. Carolyn Calfee, a professor of anesthesia at the University of California-San Francisco. Initial reports suggested that the survival rate for patients on respirators ranged from 14% (Wuhan, China) to 34% (early data from the United Kingdom). A report from the New York City area appeared more discouraging, with survival listed at only 11.9%. But the New York data incorporated only patients who died or were discharged from hospitals — a minority of a larger sample. Most ventilator patients were still in the hospital, receiving treatment, making it impossible for researchers to draw reliable conclusions.

Calfee worries that data from these early studies may not apply to U.S. patients treated in hospitals with considerable resources. “The information we have is largely from settings with tremendous resource gaps and from hospitals that are overwhelmed, where patients may not be treated with optimal ventilator support,” she said. “I would be very worried if people used that data to make decisions about whether they wanted mechanical ventilation.”

“Older adults, especially those with underlying medical conditions...are least likely to survive critical illness caused by the coronavirus or treatment with a ventilator....but frail older adults shouldn’t be lumped together with healthy older adults, whose prospects may be better.”

Still, a sobering reality emerges from studies published to date: Older adults, especially those with underlying medical conditions such as heart, kidney or lung disease, are least likely to survive critical illness caused by the coronavirus or treatment with a ventilator. “Their prognosis is not great,” said Dr. Douglas White, a professor of critical care medicine at the University of Pittsburgh. He cautioned, however, that frail older adults shouldn’t be lumped together with healthy, robust older adults, whose prospects may be somewhat better.

Like other clinicians, White has observed that older Covid-19 patients are spending considerably longer on ventilators — two weeks or more — than is the case with other critical illnesses. If they survive, they’re likely to be extremely weak, deconditioned, suffering from delirium and in need of months of ongoing care and physical rehabilitation. “It’s a very long, uphill battle to recovery,” and many older patients may never regain full functioning, said Dr. Negin Hajizadeh, an associate professor of critical care medicine at the School of Medicine at Hofstra/Northwell on New York’s Long Island. “My concern is, who’s going to take care of these patients after a prolonged ventilator course — and where?”

In St. Paul, Minnesota, Joyce Edwards, 61, who is unmarried and lives on her own, has been wondering the same thing. In late April, Edwards revised her advance directive to specify that “for Covid-19, I do not want to be placed on a ventilator.” Previously, she had indicated that she was willing to try a ventilator for a few days but wanted it withdrawn if the treatment was needed for a longer period. “I have to think about what the quality of my life is going to be,” Edwards said. “Could I live independently and take care of myself — the things I value the most? There’s no spouse to take care of me or adult children. Who would step into the breach and look after me while I’m in recovery?”

People who’ve said “give a ventilator a try, but discontinue it if improvement isn’t occurring” need to realize that they almost surely won’t have time to interact with loved ones if treatment is withdrawn, said Dr. Christopher Cox, an associate professor of medicine at Duke University. “You may not be able to live for more than a few minutes,” he noted. But the choice isn’t as black-and-white as go on a ventilator or die. “We can give you high-flow oxygen and antibiotics,” Cox said. “You can use BiPAP or CPAP machines [which also deliver oxygen] and see how those work. And if things go poorly, we’re excellent at keeping you comfortable and trying to make it possible for you to interact with family and friends instead of being knocked out in a coma.”

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Who Lives in California Nursing Homes?

(Continued from page 2)

nursing homes. About 65% of those in nursing homes are female. The majority are white, 58%. Many residents speak a foreign language, 32%. Los Angeles County has more than its share of nursing home residents, some 35% of the state's total, but only 26% of the state's total senior population.

Half of all those in nursing facilities are on Medi-Cal (51%). Almost all "have a physical or mental health condition that has lasted at least six months and makes it difficult for them to attend to their own personal needs such as bathing, dressing, or getting around."

The share of seniors in nursing facilities in the rest of the country is a third higher than it is in California. The likely effect of the state's efforts to allow seniors to "age in place" and stay in their own homes or apartments is that they are less likely to have contracted Covid-19.

The programs allowing seniors to age in place include In Home Supportive Services (IHSS), which is aimed at keeping low income seniors in their own homes.

Services provided include housecleaning, meal preparation, laundry, grocery shopping, personal care services, and help with medical appointments.

'No Intubation'

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Heather McCrone of Bellevue, Washington, realized she'd had an "all-or-nothing" view of ventilation when her 70-year-old husband developed sepsis — a systemic infection — last year after problems related to foot surgery. Over nine hours, McCrone sat in the intensive care unit as her husband was stabilized on a ventilator by nurses and respiratory therapists.

"They were absolutely fantastic," McCrone said. After a four-day stay in the hospital, her husband returned home. "Before that experience, my feeling about ventilators was 'You're a goner and there's no coming back,'" McCrone said. "Now, I know that's not necessarily the case." She and her husband both have advance directives stating that they want "lifesaving measures taken unless we're in a vegetative state with no possibility of recovery." McCrone said they still need to discuss their wishes with their daughters, including their preference for getting treatment with a ventilator.

These discussions are more important than ever — and perhaps easier than in the past, experts said. "People are thinking about what could happen to them and they want to talk about it," said Dr. Rebecca Sudore, a professor of medicine at the UCSF. "It's opened up a lot of conversations." Rather than focusing on whether to be treated with a ventilator, she advises older adults to discuss what's most important to them — independence? time with family? walking? living as long as possible? — and what they consider a good quality of life. This will provide essential context for decisions about ventilation. "Some people may say my life is always worth living no matter what type of serious illness or disability I have," she said. "On the other end of the spectrum, some people may feel there are health situations or experiences that would be so hard that life would not be worth living."

Sudore helped create *Prepare for Your Care*, a website and a set of tools to guide people through these kinds of conversations. Recently it was updated to include a section on Covid-19, as have sites sponsored by *Compassion & Choices* and *The Conversation Project*. And the *Colorado Program for Patient Centered Decisions* has published a decision aid for Covid-19 patients considering life support, also available in Spanish.

Some older adults have another worry: What if there aren't enough ventilators for all the Covid-19 patients who need them? In that situation, "I would like to say 'no' because other people need that intervention more than I do and would benefit, in all probability, more than I would," said Larry Churchill, 74, an emeritus professor of medical ethics at Vanderbilt. "In a non-scarcity situation, I'm not sure what I'd do. I'm in pretty good health, but people my age don't survive as well from any major problem," Churchill said. "Most of us don't want a long, lingering death in a custodial facility where the chances of recovery are small and the quality of life may be one we're not willing to tolerate."

In Memoriam

Chico – Barbara B. Ward

Dominguez Hills – Violet Jordain

East Bay – Jane Moller-Frazer
Elsa S. Garcia-Pandavenes
Richard Raack

Fullerton – John O. White

Humboldt – John B. Russell

Los Angeles – Lois M. McClain
Francoise Pasques
Martin Roden

Northridge – Paul Koistiner
Arthur T. Taitt

Pomona – Louis King
Althea Kolar
Consuelo Lopez
Larry Madison

Sacramento – Herbert Drummond
Charles Rombold

San Bernardino – Lynda Warren

San Diego – Leone D. McCoy

San Francisco – Walter J. Rollin
Audrey A. Warren

San Jose – Miroslav Valach

San Luis Obispo – Mary Brady
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Health Benefits Report

(Continued from page 3)

appropriated to assist hospitals. CalPERS reports that the resulting uncertainty on health care costs and rates has caused delays in the health care premiums rate setting process for 2021. CalPERS announced a new schedule for anticipated approval of new premiums. Preliminary rates will go to the board in June with final rate premiums voted on at the July meeting. This is a delay of a month since, typically, the vote on new rates occurs at the June meeting. CalPERS notes that "this change will delay the 2020 Open Enrollment period by one week, with a revised schedule of September 21 through October 16."

Dependent Eligibility Verification. In answer to a frequently asked question on the dependent eligibility verification process, CalPERS has indicated that if your health coverage has been terminated because your dependent eligibility documentation was not submitted in time due to Covid-19, please contact CalPERS. Your situation will be reviewed, and you will receive a quick response.

Random Thought. You know things have changed when banks require customers to don masks and gloves *before* entering the lobby.

CSU-ERFSA Calendar of Events

August 13, 2020 - CSU-ERFSA Executive Committee meets via ZOOM (online video conferencing).

October 24, 2020 - CSU-ERFSA Fall State Council meeting at CSU Dominguez Hills or by ZOOM (see "From the President," p. 2). .

October 31, 2020 - CSU-ERFSA Research Grant Awards Due - see page 7.

CSU-ERFSA Notice

Change of Address If you move, please notify the CSU-ERFSA office at the address on the masthead, on p. 2.

If you are reading *The CSU-ERFSA Reporter* online and are **not** a member, welcome!

We are glad you are here.

However, we very much need more members. Please consider joining our organization. See "Membership Information" at https://www.csuerfsa.org