

Retired Peace Officers Association of California

RPOAC



Newsletter

OCTOBER 2015

Retirees Must Pay Attention by Alex Bernard

Special points of interest:

- RPOAC Annual Meeting—November 10, 2015
- Investing After Retirement (See page 3)
- RPOAC Membership Special ends soon (See page 3)

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I talk to a lot of retirees from around the country. Many are well informed on issues affecting retirees. But there are quite a few retirees that for whatever reason don't know what is going on. With public employees both active and retired being blamed for government entities going bankrupt, all of us must pay attention to the threats to our security. We may be retired and feel our pensions and benefits are secure, but that is not necessarily the case. The people that are going after the active employees are looking at us.

We must pay attention to what is going on with our respective retirement systems, benefits, legislation, politicians, and personal plans. Staying on top of all these things will help you have a good retirement. Failing to do so may mean having problems during your retirement years you weren't expecting.

Everyone should know how their respective retirement system and benefits work. For example, you should know what retirement formula applies to you, what cost of living adjustment applies to you, what are your health and dental benefits and open enrollment periods are, and what death benefits your survivor(s) may receive upon your death. You can get this information from your respective retirement system. For many of you that would be CalPERS. This information will give the knowledge you need to plan for your future. It will also make you aware of what you are entitled to.

We must pay attention to politicians and legislation as their actions can have a positive or negative effect on our

lives. Politicians are not our friends whether they are Democrats or Republicans. Members of both parties are using public employees whether active or retired as scapegoats for the financial problems government is having. They blame us for the pensions and benefits we have. The politicians seem to forget that they were negotiated for with their approval. Many of us gave up raises to receive these benefits. The politicians appear to have short memories of what occurred in the past to their benefit and to our detriment.

Legislation is another area we must pay attention to. The politicians are always trying to pass laws that may be adverse to needs of retirees. Besides trying to cut pensions and benefits, they try to pass laws that may have bad consequences for law enforcement retirees. For example, this year SB 707 would have taken away the right of law enforcement retirees with a CCW from carrying on various school campuses. RPOAC saw this bill and with the help of FOP successfully lobbied to exempt law enforcement retirees with a CCW from the bill. RPOAC is a watch dog for retirees. This was a win for our members.

The last thing that I will touch on is paying attention to our personal plans. Each one of us needs to have a plan for our future. You need to know what your financial needs are, what insurance benefits are needed, a will and/or a trust for heirs and know how you want to spend your time. These are all things you need to think about and plan for.

I would like to wish all of you a happy holiday season and a prosperous New Year.



The Director's Chair



Randall Blayney—Los Angeles Chapter

Retired “Newbie”

By the time you read this, I will have been retired from my department for about two years and two months! By comparison to most of you, I expect that still qualifies me as a relative “newbie” to retired life.

Some of what I expected in retirement has come to pass while other aspects of it have yet to arrive. I wonder if any of you had the same revelations as I had regarding retirement.

First and foremost: Where the hell is all of that “free time” I was told to expect after retirement! A better question would be: How in God’s name did I ever find time to work 40+ hours a week before retiring?

I have found that there is no shortage of “tasks” to be done in retirement. Whether assigned to me by my wife or (on rare occasions) projects of my own

creation, there are seldom enough hours in the day to accomplish all the items on my schedule. Visions of laying on a hammock with a cool drink in my hand as the clouds float aimlessly above me are just that...visions! Unrealized visions!

Another effect of retirement was, of course, a

“Where the hell is all of that free time?”

change of schedules. Of the 31-years I served with my department about 23 of those years were served working the graveyard shift. When my children were younger this fit our family life very well. I would be home in the morning in time to send them off to school, then sleep until it was time to pick them up. In the evening after they went to bed, I would go to work. For my kids, it was as though daddy didn’t even have a job!

One considerable negative to third watch was only getting to sleep with my wife two or three nights a week. I’m very happy to report that is no longer an issue! Even though I miss listening to Art Bell & George Noory (Coast to Coast listeners understand what I’m talking about) I would not trade them for the increased time I am blessed to spend with my wife.

As I continue to acclimate to this new life-style called retirement, I am hopeful that I will be able to hone my time management skills and begin to find some of that elusive “free time”. Based on what I’ve seen from many of you I have some great examples to follow.

May God’s blessings be with you and your families!



Atlantis Hotel & Casino
Reno, Nevada

RPOAC Annual Meeting—Nov 10

All members are invited to attend our annual meeting being held at the Atlantis Hotel & Casino in Reno, Nevada on Tuesday, November 10th. The meeting is scheduled to begin at 1:00 pm.

We encourage members to attend so they can meet the Board of Directors and see first hand the work the RPOAC

Board does for them throughout the year.

For reservations call the hotel at (800) 723-6500 and mention RPOAC for a special rate of \$65 per night.

For more information you may contact your Executive Director, Dennis Wright at (800) 743-7622.

Benefits Corner: INVESTING AFTER RETIREMENT

We field many calls each week from members with questions regarding investing after retirement. For most of your career, you have had access to a deferred compensation program or some other qualified, employer-sponsored plan. Now in retirement, there are many additional options with consequences to consider for each.

Let's start with the plans you would have had available while working. Most active law enforcement officers have access to a qualified, employer-sponsored plan. This is usually in the form of a 457, 401(a), 403(b), or a 401(k). In most cases, these are pretax accounts meaning that any contributions made into them while you were working would not have been subject to income taxes. Because of their pretax nature, all withdrawals from the accounts are 100% taxable as ordinary income in the year of the withdrawal. Some organizations will allow you to keep these plans open after retirement, but once you retire, you will no longer be able to fund the account.

When deciding how to invest after retirement, we look at several factors. How long are you going to wait before using these newly invested

funds? Has your risk tolerance changed since you have retired? What are these funds to be used for? Has your tax situation changed since you were working? All of these items help guide members into the correct investment vehicle to fit their needs.

Taxes play an important role in post-retirement investments. As we discussed earlier, the plans that you had while you were working were designed to postpone your tax liability. The theory is that you should be in a lower tax bracket in retirement than while you were working. This may be true for some members, but with the introduction of 3% at 50 retirement systems, we find that many retired members are making the same or more retired than they did when they were working. In addition, many of the tax deductions that you enjoyed while working (home interest deductions, dependent children) may no longer be providing you with tax benefits. Also, in our current federal financial situation, most experts agree that tax rates will be increased in the future in an effort to reduce our federal deficit. In the end, you may end up pay-

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Benefits Corner

Be sure to visit the RPOAC website often for benefit information and legislative news that could impact your retirement!
www.rpoac.org

RPOAC Membership Special

(New members ONLY)

3-years for the price of 2 ends October 31!

SIGN-UP YOUR FRIENDS

Call 800-743-7622 before its too late!

Mind Benders (Puzzles to keep old minds sharp)

1. What goes around the world and stays in a corner?
2. A man pushed and pushed his car past various hotels. He stopped when he reached a certain hotel and realized he was bankrupt. Why?
3. What is in the middle of nowhere?
4. Add three letters to make the following complete: TNESSFF _ _ _
5. What is it of a bird that's not in the sky, yet can swim in the water and remain dry?
6. She's your uncle's sister but she isn't legally your aunt. Who is she?
7. An electric train is travelling north at 80 miles an hour. The wind is blowing south at 20 miles an hour. What direction will the smoke from the engine blow?
8. Tom's mother had three children. One was named Penny and another named Nickel. What was the name of the third child?



ARTICLE Links

- [Questions about the latest public-pension proposal](#)
- [Police union wants more exemptions from L.A. proposal to lock up handguns](#)
- [Boomers Overly Optimistic About Work in Retirement](#)
- [S.F. Police Union Blasts Liberal Politicians, Sanctuary City Policies](#)
- [State Supreme Court rules in police personnel file case.](#)
- [CalPERS will reveal private equity share of profits](#)
- [Watchdog: Will pension initiative gut public retirements?](#)
- [Unions say initiative allows future pension cuts](#)
- [Justice, police unions finding common ground](#)
- [San Jose, unions reach pension settlement](#)
- [State-run retirement savings plan gets boost](#)
- [California pension funds saw \\$100 billion gain in 2013-14](#)
- [L.A. City Council bans large-capacity ammunition magazines](#)
- [California public pension proposal would create 'uncertainties,'](#)
- [CalPERS CEO says pension proposal full of problems](#)
- [A glimmer of hope that the retirement system isn't broken for good](#)
- [California pension reform backers slam Kamala Harris' summary](#)
- [How to leave CalPERS without paying huge fee](#)
- [San Jose drops appeal of pension 'California rule'](#)
- [A.G. Kamala Harris is right about Chuck Reed's latest pension initiative](#)
- [California pension proposal goes grassroots for signature collection](#)
- [Ballot measure could cut pension costs, also upend collective bargaining](#)
- [County approves labor agreements with two law enforcement unions](#)
- [LAPD urges officers to be community guardians, not warriors on crime](#)

Benefits Corner—continued

ing a much higher tax rate on distributions in retirement than you would when you were working.

Perhaps, you are in a situation where current taxes are not an issue and you would like to continue to invest funds with the same tax deductions that you received when you were working. Though you can't contribute to your old employer-sponsored plan, you can contribute to your own Individual Retirement Account. Contributions can be made for yourself and your spouse in any year where you have earned income. Pension income does not count as earned income, so this would only apply if you have gone back to work in some capacity. Contribution limits for 2015 are the lesser of your earned income amount, or \$6,500.

Another type of investment is a non-qualified investment. This investment offers much more flexibility be-

cause there are no tax consequences.

These investments would be treated much the same way as a money market account at your credit union. Some common uses for non-qualified investments for retirees include: alternatives to low interest savings accounts, helping to fund college for grandchildren, and legacy planning.

We work with thousands of active and retired law enforcement officers and the one thing that we have found is that there is no "one size fits all" plan. We encourage you to reach out to us with questions that you may have regarding investments (either older existing investments or new investments that you would like to open). We will be able to provide you with an unbiased look at your options and make recommendations that fit your specific need. For more information on investing after retirement, please call us at (800) 733-4487 x 305.

Mind Bender Answers

1. A postage stamp.
2. He was playing Monopoly.
3. The letter "h".
4. TTO completes the countdown from ten to one.
5. It's shadow.
6. Your mother.
7. Smoke doesn't blow from an electric engine.
8. Tom, of course.