

Retired Peace Officers Association of California



Newsletter

July 2017

Political Agendas and Retirement Benefits

By Alex Bernard, RPOAC President

It appears that our politicians on the state and local levels are more interested in promoting their own personal political agendas than the interests of the people they represent. That includes the welfare of public employees. They direct their respective retirement boards to make investments in things they deem politically correct. They direct them to divest from things they believe are politically wrong to invest in, regardless if it is financially good for the retirement fund. Now it appears that the Legislature wants to change the health care system in California to the detriment of those individuals who have employer sponsored health care and/or a health plan they really like.

It appears our politicians put their personal agendas ahead of what are good investments for the retirement funds. They feel the retirement boards should only invest things that meet their political agenda. The politicians have directed the retirement boards not to invest in coal, oil, tobacco products, firearms, certain companies and investments in certain countries. These divestments are made

from a political point of view, not from a sound investment point of view. I understand there is a bill in Sacramento for retirement boards to give a climate risk report on their investment portfolios to the state. It would appear political correctness is more important than fiduciary responsibility. This insanity must stop.

Retirement boards have a fiduciary responsibility to make sure that the investments they make are in the best interests of the retirement system. They need to be apolitical in making investments. The politicians don't see it that way. They believe investments should reflect their political agendas. As politicians force their agendas on the retirement boards, the boards may not be able to make the types of investments that help grow the portfolio and keep the retirement system financially stable. These types of investments will ultimately cost taxpayers more money and take financial security from current and future retirees.

The California Legislature wants to change health care in California to a single-payer

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Retirement can be a great joy if you can figure out how to spend time without spending money.

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system. What this means is everyone in California will have to get their health care from the state. You will have no choice in what coverage you have. Whatever health care plan you have will disappear. That means the retiree health coverage you worked so hard to get will no longer cover you. You will have to have your health care from the state.

SB 562 is the number of the bill that is proposing single-payer health care in California. It has passed in the Senate and is now being considered in the Assembly. The good news is that it isn't a done deal. There are many flaws with the bill including a \$400 billion a year price tag. They want to use Medicare, Medicaid, and the Veterans Administration funds to help pay for this plan. That would be a violation of current federal law and is unlikely to happen. They would have to increase taxes to pay for this plan. There would likely be a

taxpayer revolt over this. There are a lot of other flaws with the bill that I don't have space to cover.

One last thing to think about; SB 562 may violate the contracts clause of the Constitution in that it makes all the employer provided health care invalid. In the public sector health care is a negotiated benefit. The Legislature is proposing to void those contracts to the harm of the represented members. It would appear that there may be grounds to sue the state over the lost benefits. RPOAC will keep you informed on SB 562.

I would urge you to contact your Assembly member and let them know you are opposed to SB 562. If enough people do this, they may end up killing the bill.

2017 RPOAC Annual General Membership Meeting

It's never too early to plan for this important event! This year's annual meeting of members will be held on Tuesday, November 7, 2017 at the Atlantis Hotel & Casino in Reno, Nevada.

This is your opportunity to connect with your Board of Directors, learn about the newest insurances and other benefits available to you through RPOAC, have your questions or comments heard and get to know other members as well as the people who work behind the scenes at RPOAC to keep you informed about legislative actions that might affect your retirements.

During the meeting you can expect to receive presentations from the Executive Board as well as from our benefits manager, Shane Cobb. There will also be presentations from other members concerning topics such as our Newsletter and Website operations.

Members get special room rates if you mention the Retired Peace Officers Association of California at the time of booking.

Plan to attend the meeting but think about staying an extra night or two. The hotel is beautiful and there are many things to do and see while visiting the Reno area like Lake Tahoe and Virginia City. Make a mini-vacation out of it.

To book your room call the Atlantis Hotel at (800) 723-6500 and mention RPOAC!

See you there!





Pacific Financial Designs

Shane Cobb is the Vice President of Pacific Financial Designs, the benefit provider for the Retired Peace Officers Association of California.

Please feel free to contact him if you have any questions regarding the benefits and programs offered through RPOAC.

Shane can be contacted through the PFD website by clicking [HERE](#) or by phone at (800) 733-4487 x305.

Benefits

What is a Reverse Mortgage?

Many Americans facing retirement would love to increase their monthly income. Fortunately, there is a way that homeowners can use their homes to help finance their retirement — to turn the value of their property into usable cash without the emotional trauma of having to sell and move.

A reverse mortgage turns the value of your home equity into usable cash, which you can use to supplement your income, finance home improvements, pay medical bills or debts, or even fund a family member's college education. Instead of you making monthly mortgage payments, the lender pays you in the form of fixed monthly payments for the rest of your life, or as a lump sum or a line of credit that can be tapped when needed (up to a certain limit). The income you receive is generally tax-free and doesn't affect your Social Security and Medicare benefits.

To be eligible for most reverse mortgages, you must be age 62 or older and the home must be your principal residence. Even though this is a home loan, you don't have to repay the principal, interest, and fees for as long as you (and usually your surviving spouse) continue living in the home or until the property is sold.

With a reverse mortgage, you can effectively annuitize your home. The monthly payment you receive is computed using standard annuity methods that take into account your age and life expectancy (as well as your spouse's life expectancy if you are joint borrowers), the appraised value of the property, current interest rates, the type of distribution you choose, and the amount of equity that you assign to the loan company.

For example, you may choose to take the loan against only 50% of the equity stake in your house. This would obviously result in a reduction in the size of your monthly check compared with a higher equity percentage. If property prices decline after you take out a reverse mortgage, it will not affect the remainder of your estate; in such circumstances, the lending company bears the loss. This is similar to a traditional annuity in which the insurance company bears the loss of continuing annuity payments in the event that you live past your life expectancy.

And even though you will never owe more than the value of your home when the loan becomes due (upon your death or when you no longer live in it), keep in mind that home values have the potential to increase over time. However, if the remaining equity is lower than the appraised value of the property, your heirs might have a hard time

Benefits (Continued)

paying back the loan if they want to keep the home rather than sell it.

You do need to exercise some caution before undertaking a reverse mortgage. You are still responsible for paying property taxes, homeowners insurance, and all repairs. The costs associated with a reverse mortgage are generally higher than a traditional mortgage and can include an origination fee, closing costs, and servicing fees over the life of the mortgage. Reverse mortgages typically have variable interest rates, which could rise over time. Although monthly interest will accrue on the loan balance, it is not tax deductible as it is with a

traditional mortgage.

The Home Equity Conversion Mortgage (HECM) is a federally insured reverse mortgage that is generally less expensive than private-sector reverse mortgages, though you typically are charged mortgage insurance premiums.

If a reverse mortgage meets your needs and lifestyle objectives, it could be one way to increase your monthly income during your retirement years. However, because of the costs and conditions involved in a reverse mortgage, you should weigh your options carefully and consult with a professional who can explain the full implications.

RPOAC Chapter Meetings Coming!



That time of year is fast approaching!
“What time?”, you ask?

Why, that much anticipated, highly important, event that comes but once a year. No, not your birthday, New Years, Christmas or even Groundhog’s Day.

It’s the **ANNUAL CHAPTER MEETINGS!**

That’s right, the time when you get to see your fellow chapter members, learn about what’s going on in RPOAC, reminisce about “the old days”, and retell those work stories that everyone’s heard a million times.

Be sure to check on the rpoac.org website for the times and locations for your specific chapter.

RPOAC Board of Directors Undergoes Several Changes

Gold Country & San Diego Directors Steps Down

RPOAC has received notice from our Gold Country and San Diego/Imperial Directors that they are resigning from their long-held positions on the RPOAC Board of Directors.

Gold Country Director Lloyd Hathaway, who also currently serves as our Vice President, is relocating to Arizona with his wife, Adrienne.



Lloyd joined RPOAC in 2005 and has served faithfully for many years. His wisdom will be missed but we all wish him well as he and his wife begin their new adventure in the American south-west.

Danny McGlothlin, our Central San Joaquin Director, has been appointed as Vice President to complete Lloyd's term through November 2018.



Our San Diego/Imperial Director, Burt Quick, is also leaving California but in a different direction than Lloyd. He and his wife, Mardi, are heading to the cooler climates of Idaho.

Burt joined RPOAC in 2010 and has served in his Directors position for the past several years. We thank him for his dedication to

New Orange County Director Appointed

RPOAC President Alex Bernard has appointed Harry Hunold as the new Orange County Chapter Director. This position



became vacant upon the recent passing of Director Diane Vasquez.

Harry is no stranger to this post. He has held both the Los Angeles and Orange Chapter Director positions in

the past.

Harry began his career in 1971 at the New York City Police Academy. In 1981 he came to California and began working with the Los Angeles City Housing Police and later with the Los Angeles Port Police in San Pedro, CA.

The RPOAC Board welcomes Harry back and looks forward to his contributions to our organization.

THINKING CAP QUIZ

- 1) Guess the next three letters in the series GTNTL.
- 2) A boy is walking down the road with a doctor. While the boy is the doctor's son, the doctor is not the boy's father. Then who is the doctor?
- 3) I am the beginning of sorrow and the end of sickness. You cannot express happiness without me yet I am in the midst of crosses. I am always in risk yet never in danger. You may find me in the sun, but I am never out of darkness.
- 4) Joseph and Lena are found dead on the floor with some water around. The windows are open and a strong wind draft is blowing the curtains around. How did they die?
- 5) What has a mouth, but cannot eat; moves, but has no legs; and has a bank, but cannot put money in it?
- 6) A man wanted to encrypt his password but he needed to do it in a way so that he could remember it. He had to use seven characters consisting of letters and numbers only (no symbols like ! or <). In order to remember it, he wrote down "You force heaven to be empty." What is his password?
- 7) A man condemned to death has the option of picking one of the mentioned three rooms. The first room is a furnace filled with flames. The second has armed men with loaded guns, while the third has lions starving for years. Which one should the man choose?
- 8) Arnold Schwarzenegger has a long one. Michael J. Fox has a short one. Madonna does not use hers. Bill Clinton always uses his. The Pope never uses his. What is it?
- 9) A man wanted to work, but he could not log in to his computer terminal successfully. He tried twice, but still his password did not work. He suddenly remembered that the passwords are reset every month for security purposes. So, he called his boss and said, "Hey boss, my password is out of date." His boss replied, "Yes, that's right. The password is different. Listen carefully. I am sure, you can figure out the new one. The new one has the same amount of letters as your old password, but only four of the letters are the same." "Thanks boss." "With that, the man could correctly log into his station. What are both the new and old passwords?
- 10) The number 8,549,176,320 is a unique number. What is so special about it?

Answers on next page.

Article Links

[California's single-payer healthcare bill is illegal, unworkable and ill informed](#)

[Maverick CalPERS board member won't run again](#)

[CalPERS Comments on Paris Agreement Decision](#)

[Brown's extra pension payment follows city lead](#)

[Why California lawmakers may wait on governor's ambitious pension plan](#)

[Should felons keep public pensions? The California courts will decide.](#)

[CalPERS may cut Trinity water district pensions](#)

[California Bill Would Tie Traffic Fines To Violator's Income](#)

[Communist workers won't be fired by state? Immigrant OC supervisors outraged](#)

[Brown: extra \\$6 billion to cut state pension debt](#)

[CalSTRS rates are doubling, but is that enough?](#)

[New York pension systems outperform California](#)

[FVPD Chief Dan Llorens announces retirement](#)

[California's healthcare-for-all bill passes first committee](#)

[Supreme Court Justice Sonia Sotomayor Attacks Justices For 'Siding With' Police Officers](#)

[Underfunded CalPERS, CalSTRS dislike divestment](#)

MORE LINKS CAN BE FOUND ON THE RPOAC.ORG WEBSITE

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QUIZ ANSWERS

1. I, T, S. The complete sequence is the first letter of every word in the sentence.
2. The doctor is the boy's mother.
3. The letter S
4. Joseph and Lena were goldfishes. The wind tipped their bowl over, hence killing them!
5. A river
6. Try to pronounce the sentence like these characters: u472bmt.
7. The third room, because lions starving for years would be long dead!
8. A surname
9. The old one was "out of date." The new one is "different." Both passwords contain the letters d, f, e, and t.
10. This is the only number that includes all the digits arranged in alphabetical order.