



Retired Peace Officers Association of California

Fraternal Order of Police - California Lodge #55

October 2022

NEWSLETTER

President's Message

By Alex Bernard

Where are Things Going in 2023?

Where are things going in 2023? Some of the things will be positive and some will be negative. I will focus on a few of the things that may affect many members of RPOAC. Social Security will have a big cost of living allowance (COLA) increase in 2023. Medicare Part B may see a decrease in cost in 2023. On the negative side, the Legislature will try to pass legislation that would put extreme limitations on where you can carry a gun with a CCW. They are very unhappy with the Supreme Court's decision in *NYSRPA v. Bruen* allowing people to carry their guns outside of their homes. They are trying to pass legislation to overturn the decision. Their bill, SB 918 failed to pass this year.

For those members that receive Social Security, what will be the COLA in 2023? It is estimated to be somewhere between 8% and 10%. It will be based on what the Consumer Price Index (CPI) for 2022 is. CPI is based on how the cost of goods increase over the previous 12 months. The CPI as of August was 8.3%. It could go up or down by the end of December. Some are estimating the Social Security increase to be 8.7%. With inflation currently increasing, the COLA may go higher. We will find out shortly what the Social Security COLA will be.

Will Medicare Part B costs decrease in 2023? It is a good possibility. There was a big increase of 14.55% in Part B premiums in 2022 because of the estimated cost of Aduhelm, an Alzheimer's drug. The cost of that drug fell almost 50% earlier this year. That may cause a decrease in the Part B premium. Some are saying there may be a \$10 per month cut in the premiums. Others are saying they will keep the premiums the same for 2023. Only time will tell what the premium for 2023 will be.

The Legislature is very unhappy with the Supreme Court's decision in *NYSRPA v. Bruen* allowing people to carry their guns outside of their homes. They tried passing SB 918 to limit where people could carry their weapons even if they had a CCW. The bill failed this year. They are saying that they will come back with another bill next session. It will be interesting to see if their bill will be constitutional or not. I am sure many gun groups will test the constitutionality of the bill. Fortunately, retired peace officers with a CCW were

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WHERE ARE THINGS GOING IN 2023?

exempt from many provisions of SB 918. We will have to monitor the new legislation to ensure that those exemptions remain in place in the proposed legislation. We will work with FOP on this issue. We will keep you informed on the proposed legislation as it progresses through the Legislature.

Recruitment is a big issue for all associations including RPOAC. Board members are always going out trying to recruit members. We use many different methods to reach potential members including social media. But we can't do it all on our own. We need your help. You may know law enforcement retirees that we are unable to reach. There are a lot of retirees out there that don't what RPOAC has to offer to them. With your help we can reach those individuals. If each member would only recruit one member, we could double our membership. Remember, there is strength in numbers. Membership brochures and applications are available online at www.rpoac.org. However, if you want paper brochures, contact Dennis Wright at the rpoac1@yahoo.com. Let's all work together to move RPOAC forward.

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

“It is not the size of the dog in the fight that counts, but the fight in the dog that wins.”

“It is curious that physical courage should be so common in the world and moral courage so rare.”

“Success is not final, failure is not fatal: it is the courage to continue that counts.”

“It is not the strength of the body that counts, but the strength of the spirit.”

Director Positions Open

RPOAC is actively seeking members to fill our vacant Director positions.

Currently we have openings in the following Chapters:

- Central Coast
- Orange County
- North Valley
- Oregon

If you, or a member you know, might be interested please contact our Executive Director, Dennis Wright via email at rpoac1@yahoo.com or by calling our office at (800) 743-7622.



Benefits Corner by Shane Cobb

Inflation Reduction Act: What You Should Know

The Inflation Reduction Act, signed into law on August 16, 2022, includes health-care and energy-related provisions, a new corporate alternative minimum tax, and an excise tax on certain corporate stock buybacks. Additional funding is also provided to the IRS. Some significant provisions in the Act are discussed below.

Medicare

The legislation authorizes the Department of Health and Human Services to negotiate Medicare prices for certain high-priced, single-source drugs. However, only 10 of the most expensive drugs will be chosen initially, and the negotiated prices will not take effect until 2026. For each of the following years, more negotiated drugs will be added.

Starting in 2025, a \$2,000 annual cap (adjusted for inflation) will apply to out-of-pocket costs for Medicare Part D prescription drugs.

Starting in 2023, deductibles will not apply to covered insulin products under Medicare Part D or under Part B for insulin furnished through durable medical equipment. Also, the applicable copayment amount for covered insulin products will be capped at \$35 for a one-month supply.

Health Insurance

Starting in 2023, a high-deductible health plan can provide that the deductible does not apply to selected insulin products.

Affordable Care Act subsidies (scheduled to expire at the end of 2022) that improved affordability and reduced health insurance premiums have been extended through 2025. Indexing of percentage contribution rates used in determining a taxpayer's required share of premiums is delayed until after 2025, preventing more significant premium increases. Additionally, those with household incomes higher than 400% of the federal poverty line remain eligible for the premium tax credit through 2025.

Energy-Related Tax Credits

Many current energy-related tax credits have been modified and extended, and a few new credits have been added. Many of the credits are available to businesses, and others are available to individuals. The following two credits are substantial revisions and extensions of an existing tax credit for electric vehicles.

Starting in 2023, a tax credit of up to \$7,500 is available for the purchase of new clean

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Annual Member's Meeting

Our annual meeting of members has been scheduled for Tuesday, October 18th at the Atlantis Hotel in Reno, Nevada. All members are invited to attend. You can make a hotel reservation by calling the Atlantis at (775) 825-4700. See you there!

The Briefing Board

Links to articles of interest to our members.

- [California Pension Fund Seeks to Halve Exposure to Carbon Emitters](#) - 9/12/22
- [US pension funds up real estate exposure to offset rising risks](#) - 8/29/22
- [CalPERS Special Retired Member Board Election Underway as Voting Begins](#) - 8/26/22
- [Rule Change Reversed; H.R. 82 back on track](#) - 7/30/22
- [New police accountability laws up demands on state agencies](#) - 7/27/22
- [Assemblyman Patterson Makes Audit Request of Calif. DOJ Over Leaked Gun Owners List](#) - 7/20/22
- [CalPERS Announces Preliminary Net Investment Return of -6.1% for the 2021-22 Fiscal Year](#) - 7/20/22
- [Upland attorney sues California attorney general over concealed weapon database leak](#) - 7/19/22
- [CalPERS Announces Health Plan Premiums for 2023](#) - 7/12/22
- [Experts: California lacked safeguards for gun owner info](#) - 7/2/22
- [CA DOJ Alerts Individuals Impacted by Exposure of Personal Information from 2022 Firearms Dashboard](#) - 6/30/22
- [Data breach exposes private info of all California concealed-carry permit holders](#) - 6/29/22
- [California bill would make gunowners buy liability insurance](#) 6/17/22
- [\\$2.7 billion settlement in CalPERS long-term care insurance lawsuit is canceled](#) 5/23/22
- [Why the Push to Lower Standards For Becoming A District Attorney Investigator?](#) 5/15/22
- [CalPERS Rules Out Santa Ana Police Union Boss' Pension Boost](#) - 5/5/22
- [3 Southern California sheriffs say state lawmakers hurting cops' efforts to improve public safety](#) - 4/24/22
- [U.S. lawmakers introduce bill to protect tax credit for retired cops, firefighters](#) - 4/3/22
- [Cop cash: California law enforcement gives big to campaigns](#) - 4/1/22
- [CalPERS to reassess investment portfolio, divesting from Russia](#) - 3/28/22
- [California Democratic leaders take heat from two directions](#) - 3/19/22
- [Notices of Election Released for 3 CalPERS Board Seats](#) - 3/14/22
- [Teachers, school employees may be paying thousands in extra fees on retirement accounts](#) - 3/12/22
- [California lawmakers push pension funds to divest of Russian assets](#) - 3/7/22
- [LAPD officers will now have to explain reasons behind traffic stops](#) - 3/2/22
- [California city approves 1st US insurance law for gun owners](#) - 1/26/22
- [California politicians now talking tough on crime](#) - 1/19/22
- [Who should pay for pension mistakes? New California law puts employers on the hook](#) - 12/30/21
- [Democrats, Employee Groups Rally Around Social Security Reform Bill](#) - 12/10/21
- [CalPERS says these 5 retirees broke pension rules with part-time jobs. What did they do wrong?](#) - 12/2/21
- [Borenstein: Biden, like Obama, aims to weaken California pension reform](#) - 11/21/21
- [CalPERS Board Selects New Asset Allocation for Investment Portfolio, Keeps Discount Rate at 6.8%](#) - 11/16/21

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Inflation Reduction Act: What You Should Know

electric vehicles meeting certain requirements. The credit is not available for vehicles with a manufacturer's suggested retail price higher than \$80,000 for sports utility vehicles and pickups, \$55,000 for other vehicles. The credit is not available if the modified adjusted gross income (MAGI) of the purchaser exceeds \$150,000 (\$300,000 for joint filers and surviving spouses, \$225,000 for heads of household). Starting in 2024, an individual can elect to transfer the credit to the dealer as payment for the vehicle.

Similarly, a tax credit of up to \$4,000 is available for the purchase of certain previously owned clean electric vehicles from a dealer. The credit is not available for vehicles with a sales price exceeding \$25,000. The credit is not available if the purchaser's MAGI exceeds \$75,000 (\$150,000 for joint filers and surviving spouses, \$75,000 for heads of household). An individual can elect to transfer the credit to the dealer as payment for the vehicle.

Corporate Alternative Minimum Tax

For taxable years beginning after December 31, 2022, a new 15% alternative minimum tax (AMT) will apply to corporations (other than an S corporation, regulated investment company, or a real estate investment trust) with an average annual adjusted financial statement income in excess of \$1 billion.

Adjusted financial statement income means the net income or loss of the taxpayer set forth in the corporation's financial statement (often referred to as book income), with certain adjustments. If regular tax exceeds the tentative AMT, the excess amount can be carried forward as a credit against the AMT in future years.

Excise Tax on Repurchase of Stock

For corporate stock repurchases after December 31, 2022, a new 1% excise tax will be imposed on the value of a covered corporation's stock repurchases during the taxable year.

A covered corporation means any domestic corporation whose stock is traded on an established securities market. However, the excise tax does not apply: (1) to a repurchase that is part of a nontaxable reorganization, (2) with respect to certain contributions of stock to an employer-sponsored retirement plan or employee stock ownership plan, (3) if the total value of stock repurchased during the year does not exceed \$1 million, (4) to a repurchase by a securities dealer in the ordinary course of business, (5) to repurchases by a regulated investment company or a real estate investment trust, or (6) to the extent the repurchase is treated as a dividend for income tax purposes.

Increased Funding for the IRS

Substantial additional funds are provided to the IRS to help fund operations and business systems modernization and to improve enforcement of tax laws.
