



# *THE INTERCOM*

Newsletter of the California Retired  
County Employees Association (CRCEA)  
April 2015

www.crcea.org

Issue #2-2015



## **PRESIDENT'S MESSAGE**

Time continues to march on. By the time you read this, the Executive Committee will have had three meetings. The Spring Conference in Ontario is but weeks away.

So many associations are dealing with new issues, some are simply a change in leadership or board members, while others have ongoing issues with health benefits and other retirement board or county matters.

The continuing rhetoric attacking our pensions and/or other benefits continues to make news up and down the state. It has been fairly quiet in Orange County lately, but that doesn't mean things couldn't heat up at a moment's notice. In Marin County, the anti-pension folks keep sending out opinion letters that are printed in

the local newspaper attacking things as small as the award of cost-of-living adjustments which are written in the '37 Act and ARE PAID FOR in the ongoing contributions of both the employer and the employee from the time they were provided for by the county.

While the bankruptcies in San Bernardino and Stockton seem to be pretty well settled for now, the tongue lashing CalPERS got from the bankruptcy judge about the attitude and thoughts of the pension system, doesn't leave me with a whole lot of comfort that retirees should be complacent about their pension protection.

Along these lines, CRCEA continues to be active in San Diego County in a small group of other retiree groups searching for common ground that ALL retirees might stand on to resist any adverse actions against our retirement benefits. The group is made up of representatives from the city retirement system retirees, the county retirement system retirees, CRCEA, and

CalPERS, and CalSTRS retirees. Meeting together we have shared thoughts, ideas and issues. The group came up with some common themes of discussion when talking about pension benefits and how they benefit both the retiree as well as the community. CRCEA will continue to be involved in both the education and response to those that would question our retirement program(s), including keeping our members up to date on all the facts.

Our next gathering will be in San Bernardino in April. That's just around the corner on April 20-22, 2015. If you haven't registered, or made your hotel reservation, you need to do so right away. I have seen the tentative agenda and it should be a great conference.

Okay, I'm going to bring it up again. CRCEA continues to reach out for Affiliates. Those are businesses that provide services to retirees and who we can approach to be affiliates of CRCEA. If anyone has a suggestion or recommendation, please con-

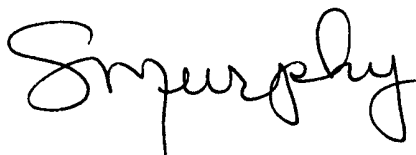
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tact Bill de la Garza, or any member of the Executive Committee, and we will do the work.

CRCEA is the only organization looking out for the retirees of '37 Act counties on the state level. February and March are generally high retirement months in our counties. If any of you know any retirees who are retiring, and are not signed up to be members of your local retiree association, talk with them and encourage them to join. Only through numbers do we have strength, and only through our strength, can we obtain success.

Until next time.....



SKIP MURPHY, President

**Disability Retirement and Health Insurance  
by John Michaelson  
CRCEA Benefits  
Committee Chair**

**Non Taxed Income and ACA** I have recently been looking into an issue pertaining to disability retirement and health insurance. With the help of San Bernardino

County Social Services and several Eligibility Worker Supervisors, I now have a better understanding of this. The issue is treatment of non taxed income under the Affordable Care Act (ACA), commonly referred to as Obama Care. In California, most of this is run by what is known as Covered California. I say most because the lower income end of this is under Medi-Cal (in California) or Medicaid in the rest of the country. In California, Medi-Cal is run by your County Social Services or Welfare Department. Confused yet? It gets worse.

The main point I want to make is that I have been able to confirm that with Obama Care, only taxable income is counted when your eligibility is being computed. In other words non-taxed income does not get counted. The importance here to some retirees is that most, if not all, Service Connected Disability Retirements include some portion of non-taxed income. There are, of course, a number of other criteria for eligibility for a government subsidized health insurance plan, but the big one is your income. The maximum allowed income also varies by how many people are in your household which is determined by how many depend-

ents are on your annual tax return. If your taxable income is extremely low you may even be eligible for Medi-Cal. This is another issue as, at least in California, there are a number of different categories of Medi-Cal, some of which do count non-taxed income. As we used to say when I was in Social Services, "It doesn't have to make sense, it is just the rule".

Just to give you some idea of how this might work, if you and your spouse are the only people on your tax return, and your annual taxable income is under \$62,920, and you meet all the other criteria, you might be eligible for a small subsidy. I say small in that the \$62,920 is the maximum income level and to the extent your income is lower, the subsidized amount will increase. It will also increase with more people on your tax return.

It was suggested to me that if you think you might qualify, you can go to the Covered California website and fill out an application and it will tell you if you qualify. I believe the same can be accomplished if you live outside California by going to the ACA website. I am told you don't have to actually submit the application,

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but you can end without its submittal. I am also told that you will have to wait until the end of the year for their open enrollment period to apply. The only exception to this is if you already started the application, or you currently have no health insurance, you then have until the end of April to apply. If you have no insurance currently, then I recommend you go to one of the websites and get something. You face a big penalty if you don't have health insurance in 2015.

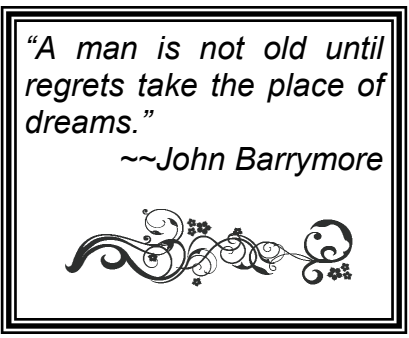
The other caveat I have to make is if you live outside of California, the general statement that only taxed income counts is still true, but there are some differences state to state. The biggest of these is if your state set up its own Exchange (rather than leave it to the Feds), the federal law allows the states that set up their own exchanges to make some minor deviations.

Another caveat is if you are retired from a county that subsidizes your health insurance, most will not give you the subsidy if you don't get your insurance through them. If you lose the subsidy your county offers, the Obama Care insurance could end up costing you more.

One last caveat, "let the buyer beware". If you decide to go this way know the detail of the plan before you sign up. I know county offered insurance is generally more expensive, but you get what you pay for. One example from a review made by the county insurance consultant, most Covered California plans have a much higher annual out of pocket expense limit that could fall on you if your overall medical expenses are high enough. Also, if you are Medicare age and are eligible for it, you are not eligible for Covered California, ACA or Obama Care.

With all of the information above, I have tried to get at least two different sources to confirm each point I make, but most of that has been verbal, and while I believe it to be accurate, don't bet your life on it. Do your own research, talk to your tax man and, if you have a local broker you trust, it wouldn't hurt to talk to them either.

Hope to see you at the Spring Conference.



**REMINDER**

Last day to register for the CRCEA 2015 Spring Conference is Sunday, April 5, 2015

Ontario, CA  
April 20-22, 2015

**Upcoming CRCEA Conferences**

Spring 2015  
San Bernardino (RESBC)

Fall 2015  
San Joaquin (RPESJC)

Spring 2016  
Kern (REOKC)

Fall 2016  
Contra Costa (CCCREA)

Spring 2017  
Ventura (REAVC)

Fall 2017  
Alameda (REAC)

Spring 2018  
Santa Barbara (RESBC)

Fall 2018  
Marin (MCARE)

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