

AFTER-WORDS

A NEWSLETTER FOR RETIREES OF THE FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

12345 EL MONTE ROAD, LOS ALTOS HILLS, CA 94022

VOLUME XXIX, ISSUE 4

June 2013

FODARA'S JUNE PICNIC

The annual picnic is coming up on Friday, June 21st. This is one of our big social functions of the year, so it would be a great idea to get a couple of friends and come and have a delicious barbecue, salad, wine, beer, soft drinks, and even a scrumptious piece of cake with the new retirees. We promise that the weather will be perfect, and it is a great time to connect with former cohorts from your days in the district. We again will have ribs and chicken, baked beans, green salad, and potato salad. The reservation form is at the end of the newsletter. Please return it with your check by Monday, June 17th. You can still attend at the last minute; the reservation form includes a phone number to call to be included. I have fun at this event every year, so please come and say hello! This year's retirees are also invited.

Tom Moore

Date: Friday, June 21

Time: 3:00pm – 7:00pm

Place: Cuesta Park, Mountain View,
(between Grant and Miramonte on Cuesta)

APRIL GOLF TOURNAMENT

The third annual FODARA Scholarship Golf Tournament was held on April 25 at Seascap in Aptos; the weather was beautiful. This year we had 17 golfers in 5 teams, vying for the top prize. Tom Braun (Debi Schafer-Braun's husband) refereed what seemed to be a tie between the two top teams, but everyone went home happy. In addition to the golfers, several others came just for the meal and to visit with old friends.

Charlie and Betty Elder again hosted and supplied food for the after-golf barbecue. Their patio overlooks the tee box on the second hole. Obie and Margaret Obenour rounded up the chickens, drinks, and other wonderful additions to the meal. Prizes were supplied by Obie and Jim Custodio.

FODARA netted \$810, all for scholarships for FHDA students for the 2013-2014 school year. Thanks to everyone who helped out and participated in the event. *Ed Burling*

GOLF TOURNEY PHOTOS

(More photos on page 6)



Jim Rowe, "Obie" Obenauer, Charlie Elder



Gary & Joyce Toothman, with Phil Green

Board of Directors 2012-2013

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FODARA CALENDAR

Friday June 21* 3:00—7:00 Annual Retiree Picnic Cuesta Park,
 Mountain View

Sep 3, 2013, Tuesday, Board Meeting, 10:30 AM District Board Room

*N.B. dated incorrectly in last issue as 6/20

FODARA COMMITTEES

District Benefits.....Tom Strand, + Jean Werner

After-Words E-Mail.....Randy Dunn

Friendship.....Bobbie Prouty

Scholarships.....Val Hardy

Social..... **STILL needs two people**

Mailings.....Charlotte Thunen

IN MEMORIAM

Glen Bushnell, (Jan. '13)

BENEFIT NEWS

Healthcare Dates and Rates

The FHDA District and its unions have been inundated with questions from retirees attempting to determine exactly when and how healthcare billing happens. If you, too, are confused, you're not alone; healthcare has become very complicated. This article attempts to answer many of these questions with a calendar of events and an illustrative example. Using them, you should be able to adapt the data (with the help of any internet browser – and if you don't know how, someone you know can help) to your own particular situation. This article only applies to pre-'97 retirees, but at the moment, there are virtually no post-'97 retirees.

Month	Event	Notes
January	Start of FHDA Benefits Plan Year, 1/1 New Medicare Part B Rates, 1/1 New CalPERS Premium Rates, 1/1 New Required Contribution Rates *, 1/1 New Employer Share of Cost Rate, 1/1	The District pays CalPERS the Employer Share of Cost, currently \$5.75 per month, for plan members who retired prior to May 17, 2012 (\$0.00 per month for plan members who retire after May 12, 2013)
February		
March	Retiree Annual Survey^, 3/15 Part B Proof of Payment+, 3/15	
April	Q1 EFT Part B Reimbursement, 4/15	Q1 EFT = Electronic Fund Transfer in first quarter
May		
June		
July	Q2 EFT Part B Reimbursement, 7/15	
August		
September	Open Enrollment Starts	9/10 in 2012
October	Open Enrollment Closes Q3 EFT Part B Reimbursement, 10/15	10/5 in 2012
November		
December	End of Plan Year, 12/31 Q4 EFT Part B Reimbursement, 12/31	

*Employee/Retiree Required Contribution Rates are periodically negotiated between the FHDA unions and the District and take effect at the beginning of a new Plan Year

^Retiree response required by District

+Part B Proof of Payment is required only of qualified retiree/dependents who are reimbursed by the District for Medicare Part B premiums

YOUR BENEFITS ...cont'd.

The calendar shows important events in the FHDA Benefits Plan Year (January 1 – December 31.) Not shown in the calendar is the Dependent Eligibility Audit (which determines whether or not your dependents are eligible for FHDA healthcare coverage) that formerly was under the auspices of the District, but is now controlled by CalPERS. Use the calendar to anticipate District required responses by properly forwarding mail when you're away.

In overview, healthcare billing is a two-step process. As background, every plan year CalPERS establishes new rates (called *CalPERS Premiums* in this article) for each healthcare plan (Select, Choice, Care, etc.) for both Medicare and Non-Medicare in each geographical region. Meanwhile, the unions and the District have negotiated different, lower, subsidized rates (called *Required Contributions* in this article) that employees and retirees must pay for each of these healthcare plans. In the first step of the billing process, CalPERS makes a deduction (the CalPERS Premium less the Employer Share of Cost – see Note in Calendar) from the retiree's warrant, or by direct billing to the retiree. In the second step of the billing process, the District reimburses the retiree for the difference between the CalPERS deduction and the Required Contribution, plus any Medicare Part B premiums the retiree may have paid. These principles are illustrated in more detail in the following example.

Illustrative Example

John Smith retired from the FHDA District in 2001; he's on Medicare while his spouse, Jane, doesn't qualify for Medicare because of her age. Since John was hired before 1997 and worked in the District for many years, he

and his eligible dependents (in this case, his spouse) qualify for "the same" District-sponsored medical, dental and vision health care coverage as active District employees. In this example he and his spouse are enrolled in the PERS Choice healthcare plan. John's 2013 monthly retirement benefit amounts (after taxes) are \$500 from Social Security and \$6,000 from CalSTRS, while Jane receives no retirement benefits. John and Jane live in the Bay Area, they file taxes jointly with a 2011 Modified Adjusted Gross Income (MAGI) of \$200,000.

EFT Account

As one component of Open Enrollment, each qualifying FHDA retiree must set up an Electronic Fund Transfer (EFT) account to which both the District and retiree have access. The Smith's EFT account is a checking account with overdraft protection.

CalPERS Premium

Since John is on Medicare but Jane isn't, the PERS Choice plan covering the Smiths consists of a Medicare supplement plan for John plus a basic plan for Jane with a 2013 "combination" monthly CalPERS Premium of \$992.77. For the 2013 CalPERS monthly premiums for other health care plans, locations and family arrangements, see <http://hr.fhda.edu/benefits/medical#2013rates> under the heading **2013 CalPERS Health Benefit Full-Premium Rates**. In this example, on or around the first business day of each month, CalPERS deducts the CalPERS Premium less the Employer's Share of Cost (since John retired prior to May 17, 2012), or $\$992.77 - \$5.75 = \$987.02$, from John's CalSTRS warrant (i.e., at or about the same time that Secova deposits \$737.02 into John's EFT account see below).

YOUR BENEFITS (cont'd.)

Required Contribution

The FHDA District and unions bargain to determine the monthly rates that all employees/pre-'97 retirees must pay to participate in District-sponsored health care, dental and vision – i.e., their Required Contributions. The Required Contributions for the Smith family, EE + 1 (employee plus one dependent) on the PERS Choice plan, is \$250.00 per month. For the Required Contributions for other 2013 CalPERS healthcare plans and family arrangements, see <http://hr.fhda.edu/benefits/medical#2013rates>, then click on [Employee and Retiree Monthly Contribution Rates 2013](#).

On or about the first business day of each month, Secova, acting on behalf of the District, reimburses the Smiths for the difference between their CalPERS Premium (less the Employer's Share of Cost) and their Required Contribution, or \$987.02 minus \$250.00 = \$737.02, with a direct deposit into the Smith's EFT account.

Medicare Part B

Because John and Jane's 2011 joint MAGI exceeds \$170,000, in 2013 John must pay \$146.90 a month (instead of the standard rate of \$104.90) for his Medicare Part B coverage. Social Security deducts this amount from John's after-tax retirement benefit. The District reimburses John quarterly (see calendar page 3) for all of the Part B premiums he pays.

Medicare Part D

Starting in 2013, CalPERS enrolled all covered Medicare members into Part D (Prescription Drug) coverage to lower overall plan costs. CalPERS pays the Part D standard rate (about \$35.00 monthly) for its plan members out of the CalPERS Premiums that it charges them. However, because of the Smith's higher MAGI, John must pay an additional \$29.80 per month out of his Social Security benefit for Part D that the District does *not* reimburse.

Summary

For the hypothetical Smiths, John gets retirement benefits of \$6,000 — \$987.02 = \$5,012.98 monthly from CalSTRS and \$500 minus \$146.90 minus \$29.80 = \$323.30 monthly from Social Security. The District reimburses the Smiths \$737.02 monthly plus $12 * \$146.90 = \$1,762.80$ in four quarterly installments to reimburse their Medicare Part B payments into their EFT account.

So, how much do the Smiths pay, net, for their District-sponsored health care each year? The grand total is twelve times their Required Contribution ($12 * \$250 = \$3,000$) plus twelve times their Part D MAGI adjustment ($12 * \$29.80 = \357.60) plus all of their PERS Choice plan co-pays, co-insurance and deductibles.

Tom Strand

MORE GOLF TOURNEY PHOTOS



Tom Moore shows his prize to Bill Lewis

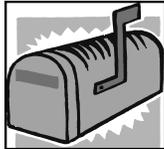


Obie in Official Cap & Jim MacDonald



Debi Schafer-Braun with Phil Green

THE MAIL BOX



"I think FODARA is doing a great job and I want to support it. I appreciate getting the Newsletter. I'm happy to say that Elsie and I are doing well and think fondly of the Old Days. I meet often with some of the guys from Language Arts and we do like to keep in touch." —Jack Hasling

"Thanks for your frighteningly valuable newsletter." —Robert (Doc) Pelzel

"Thanks for the effort!" — Joseph Cantrell

"Keep up the good work — we really appreciate it!" —Klaus Dehn

**FODARA
Picnic Reservation Form
Friday, June 21 at 3:00 PM
Cuesta Park Mountain View**

Retiree _____ Guest name _____
Fill out information below only if it has changed—otherwise please leave blank.

(address) _____
(city) (state) (zip) _____
(email) _____
(telephone) _____

Please reserve _____ places for the PICNIC. Also use this form for dues or the scholarship fund.

\$20 enclosed for each person attending \$ _____

\$10 enclosed for 2012-13 FODARA voluntary membership dues \$ _____

An additional donation for FODARA scholarships \$ _____

TOTAL \$ _____

Make check payable to "FODARA"

Mail this reservation to arrive not later than **MONDAY, June 17 to:
Mike Paccioretti 3075 Muirdrum Pl. San Jose, CA 95148-2024**

N.B. The reverse side of this page has changed; you must either provide an envelope for this form or fold the form to hide your mailing address on the reverse side and copy this address in the blank space, staple and mail.

STAMP

