



PRESIDENT'S MESSAGE



This past year has been a challenge for everyone, including the volunteers that make up the RPEA Executive Board. Because of COVID, we have all entered a brave new world making it necessary for everyone to adjust the way we live our everyday lives, and the way we do business.

RPEA though has taken it in stride, and continues to 'do business as usual' thanks to Zoom, Skype and all of the other virtual opportunities that are available.

We continue to maintain our focus on the litigation that has been very successful so far, and we are confident that when it's complete, retirees will prevail!

I want to especially thank one person of our team who is often overlooked and without whom RPEA could not function, and that is our office manager, Cynthia Shackelford.

She has had to work both from home setting up shop on her dining room table, and the office, in order to keep RPEA up and running. I often see her coming into the office with her desktop computer in her arms so she can do business she needs to do in the office, and then again with computer in arms going back to her car, headed back to the dining room table! It's been difficult, but she performs her duties expertly

and always with a smile on her face. She is the anchor, and the rest of RPEA and the Executive Board circles around her! Cynthia--Thank You!!

We hope that all of you are safe, are getting COVID vaccinations, and that in the coming months we can again get close enough to shake hands!

*Take Care
Sharon*



**A Heartfelt Thank you!
Kris Warren
Treasurer**

The executive board is most thankful for the nearly 200 members who donated to our legal fund over the past few months. You have donated almost \$17,500 to our efforts to protect retiree pensions and medical coverages. As the only organization established solely for the purpose of educating retirees on their constitutionally protected benefits, we take our additional goal of protecting those benefits seriously. The legal actions we have taken were only initiated following many years of lip service but no action from state officials regarding the diminishment of benefits that occurred when in 2014 the state contracted with Aetna and Moda for the third party administration of our medical and dental plans.

So thank you very much to those of you who donated. To the rest of you we appreciate your membership in our organization and we encourage you to do likewise if and when you are able to do so. Here is

the link to the RPEA website where you can easily donate by credit card or you may send your check to our office at: PO Box 110650, Anchorage, AK 99511-0650.

[RPEA | Legal Fund Donation \(rpea-ak.org\)](http://rpea-ak.org)



We Need You!!
Bob Grove
Membership Director

The Retired Public Employees of Alaska (RPEA) needs you to help us help YOU!

RPEA's primary mission is to protect the rights and benefits of Alaska's retired municipal government employees, state employees, and teachers.

Our benefits have been under attack from the State of Alaska for several decades. Unfortunately, we have had to sue the State more than once to prevent the diminishment of our constitutionally protected benefits.

We sued the State in 2000 (RPEA vs. Duncan) when an attempt was made to change our group health insurance plan which would have resulted in a definite diminishment of our benefits. This lawsuit went to the Alaska Supreme Court which ruled in RPEA's favor. **This has not stopped the State from further efforts to eliminate or diminish our benefits.**

In 2016 we had to file another lawsuit against the State for trying to significantly reduce our Dental, Vision and Audio Plan (DVA) (RPEA vs. Tshibaka). RPEA won this lawsuit, the Court ruling 100% in RPEA's favor. The State has appealed the Superior Court decision, and this lawsuit is currently before the Alaska Supreme Court. We expect a ruling in our favor later

this year.

In 2018 RPEA had to file its third lawsuit over an attempt by the State to diminish PERS and TERS retiree Medical Plan benefits (RPEA vs. State of Alaska, Department of Administration, Division of Retirement and Benefits). This lawsuit is currently scheduled for trial in July.

All of the history and rulings referenced above are posted on RPEA's website. <https://rpea-ak.org/>

These issues, as well as others such as how the Unfunded Liability affects our constitutionally protected Pension Plan, are issues that RPEA continually monitors and fights to protect.

RPEA is a group of volunteers who cannot fight this battle alone. We need your help and support. If you want assurance that your benefits and pension plan will remain protected from these threats please join us and help us help you by becoming an RPEA member, or if you already are a member, renewing your membership. **Together we can help guarantee that your benefits will be there as long as you need them.**

Please take this opportunity to join or renew your RPEA membership at <https://rpea-ak.org> If you know other public employee retirees who are not members of RPEA, please tell them to join!!

Thank you!



**Duncan Shackelford
Communications Director**

Please continue to help our organization. If you change your email address or mailing address, please be sure to let me know so you won't miss newsletters and updates that we send to our members.

For those receiving this newsletter via US Mail--please send us your email address if you have one so you will receive all email updates. We are attempting to continually evolve our newsletter and make it the publication we can all be proud of!

There is a lot going on, such as--

- The DRB continues to discuss with the Retiree Health Plan Advisory Board changes they'd like to make to the retiree Medical and DVA health plans,
- The ongoing DVA and Medical Diminishment lawsuits.

If we can't reach you,
we can't keep you informed

Please send your 'here's-where-I-am'
change of mailing address or email address to:

manager@rpea-ak.org

Thanks!
Shack



RPEA In General

If you'd like to read more about the lawsuits, what the chapters are doing or how to renew your membership, please visit the RPEA website at:

<https://rpea-ak.org/>

RPEA Executive Board Nominations

Are Now Open Through April 8, 2021

Positions open are: Executive Vice-President, Treasurer, Director of Communications and Director of Legislative Information. These positions are 2-year terms and serve from July 1, 2021 through June 30, 2023. Officer duties can be viewed on the RPEA website in the Statewide Executive Bylaws at: <https://www.rpea-ak.org>

Nominations may be emailed (with the consent of the nominee) to Margaret Duggan at madugg8309@yahoo.com or by Mail to RPEA, PO Box 110650, Anchorage, AK 99511 (phone call nominations cannot be accepted.) **Nominations must be received by April 8, 2021.**

Interested candidates may nominate themselves. Nominees have to agree to run and must provide a statement of qualifications to be considered. If a qualified candidate is unopposed, then the candidate will be declared elected.

LITIGATION UPDATE

Brad Owens

Executive Vice President

As you know, RPEA is involved in two lawsuits, both against the Dept. of Administration, Division of Retirement and Benefits (“state”). Both involve changes the state made to the Retiree AlaskaCare health Plan in 2014: one concerns the changes made to the dental plan and the other changes made to the medical plan. Both involve the claim that the state diminished or impaired dental or medical benefits, in violation of constitutional protections provided under Alaska law and the procedure specified by the Alaska Supreme Court for making changes to either plan.

The lawsuit involving the dental plan is currently before the Alaska Supreme Court. The state appealed the decision of Judge Aarseth that he issued after trial ruling on two primary issues: first, he ruled the dental

(and audio and visual) plans are part of the constitutionally protected retirement package offered by the state to public retirees when they retire and, second, the changes made by the state in 2014 unlawfully diminished or impaired the dental benefits the state previously provided under the prior dental plan. That decision is scheduled for oral argument in April in the appeal before the Supreme Court. RPEA is confident the Supreme Court will deny the appeal filed by the state.

The other lawsuit also involves the changes the state made to the retiree medical plan in 2014. The Alaska Supreme Court had previously ruled in 2003 that the medical plan is part of the constitutionally protected retirement package promised to public employees when they retire which cannot be unlawfully diminished or impaired. This lawsuit is scheduled for trial in July. RPEA claims that DRB failed to follow the process established by the Supreme Court in 2003 for making lawful changes to the medical plan. This failure resulted in diminishing or impairing the protected benefits that existed under the medical plan before the 2014 changes. RPEA also argues that these failures violated the state's fiduciary duties as the administrator of the medical plan to act in good faith, fairly and with loyalty toward the retirees covered by the plan, and failed to provide adequate prior notice and due process to retirees before the changes were imposed. RPEA is confident it will succeed in these claims at trial as well as in any appeal that might be filed.

RPEA has pursued these lawsuits in order to protect the dental and medical benefits you are entitled to as public retirees. These lawsuits are expensive and RPEA appreciates any and all financial support you can provide to help it bring these lawsuits to a successful conclusion.



PERS and TRS: Benefits to the Economy
Cindy Spanyers
Legislative Information Director

Covid has damaged the economy in all fifty states, including Alaska. Unemployment rates are high and many challenges remain before the virus is fully contained.

One bright spot, however, is the steady income of retirees with defined benefit pensions such as those of us vested in PERS and TRS. The February issue of *Trends* delves into our high unemployment rates and outmigration but notes the positive aspects of a secure retirement on the economy as retirees “bring money ... and spending (to) create jobs.”

Even in these difficult times, retired Alaskans with a pension continue to receive a stable income, which means we can continue pre-recession spending patterns to stimulate the local economy on a year-round basis.

The National Institute on Retirement Security (NIRS) goes further outlining the economic gains of a defined benefit pension in a January 2021 report, especially the multiplier effects. According to the report, each dollar in state pension benefits distributed and spent stimulated \$2.19 in total economic output creating more than 8,000 jobs in Alaska.

Some 36,000 Alaskans are retired from PERS and 13,000 from TRS. When all the active and inactive defined benefit members are added to the system, the total number swells to more than 70,000. While all active employees and retirees contributed a percentage of their salary every pay period to help fund their retirement, additional state contributions are necessary to maintain the health of the systems and close the unfunded liability. In FY21, the state appropriated more than \$300 million into PERS and TRS, a considerable amount given the current budget constraints.

RPEA will be watching the budget and related legislation this session to help protect your benefits. In turn, this helps the economy and supports local jobs.



RPEA Executive Board

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