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March 4, 2020

Judy Cater, President  
Steve Spear, Vice-President  
Palomar College Retirees Association  
2386 Botella Place  
Carlsbad, California 92009

RE: Inquiry about Lifetime Benefits  
Our File No. 2783.1.20

Dear Judy and Steve:

I was a pleasure to meet with you on March 2<sup>nd</sup> in our Fresno office, to discuss your concerns, and those of your members, with respect to possible changes in the health and welfare benefits. As we discussed, these are common questions among retiree groups, as health care costs escalate and agencies frequently look to retirees as both the source of the problem (increased utilization) and a potential solution (unrepresented participants, with no bargaining rights).

Legal efforts to enforce the rights of retirees from public employment are, essentially, fact-driven, in the sense that there is no overarching statutory authority. The courts generally have been sympathetic to legitimate retiree demands to force an agency to adhere to promises of benefits beyond the employees' tenure. As we also discussed, this enforcement is not ironclad: an agency can file bankruptcy, and relief from obligations can be directed by a court acting as a Trustee in Bankruptcy. Short of that dramatic outcome, however, a promise of lifetime benefits has been recognized as an enforceable one.

In the case of Palomar College, the promise is quite explicit, based on the language I have seen in District Policy 7380, and is limited in application to a discreet and ever-dwindling number of current and former employees. Those factors help to insure the enforceability of the obligation, both in a legal sense and a practical one: the District would be hard-pressed to assert that the cost of benefits to a group that has shrunk over the years, and cannot grow, is so problematical as to constitute a financial hardship which would warrant overturning clear policy language which has also been conveyed to each affected individual upon her or his retirement. As you are aware, in similar (though not identical) situations, we have aided retiree groups at the Ventura Community

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Page 2

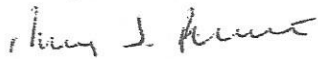
College District, and a separate group at a Oxnard Union High School, with similar problems, and the local judiciary has been most supportive.

While your Association's active involvement with the College and labor groups has both informed you of pending developments and enabled you quickly to act to assert the needs of your members, you can be assured that, thus far, there is strong legal support for your assertions that each of your members has a legal right to retain the current benefit scheme, and to enforce that right if necessary.

Please contact this office if you or your members have further needs.

Best regards,

LAW OFFICES OF  
BENNETT, SHARPE & BENNETT, INC.



BARRY J. BENNETT