NEWSLETTER NO. 15 NOV./DEC. 1994

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If you overlooked it, annual dues for fiscal year June 1994-May 1995 are overdue. The mailing label on the Newsletter envelope reads "DUES REMINDER" if PARA records do not show your current dues payment. If you've already renewed your membership, please ignore the reminder. If you haven't, please complete the form inside. We need your support! Thank you!

THE BEAT GOES ON - COLA, MOPPS, SUPPLEMENTATION

Where to begin? So much has happened and so much still unresolved so its probably best to pick-up where we left off in the last Newsletter and proceed in chronological order so you can track the events. Some of this might be a little repetitious to our N.Y. resident retirees and Calling Captains since we had special mailings to these groups during the 1994 session of the N.Y. State Legislature.

In our May Newsletter, we reported on the status of the MOPP (Maintenance of Purchasing Power) legislation and the 12 state-wide rallies pushing for passage of this legislation. As we went to press at that time, a state-wide convenon of the Alliance of Public Retiree Organizations was cheduled to be held in Albany on May 11. In a nutshell, the convention was a resounding success. PARA was well represented and thousands of retirees by charter buses, vans, car convoys, etc., showed-up and jammed the Convention Center hall. Retiree organization banners were hung from the balconies, the dais and wherever space would permit. Placards with appropriate legends (i.e. "COLA NOW", "We want MOPPS", etc.), were carried by attendees and posted all over the hall. Many groups had special hats and T-shirts appropriate to the occasion and pushing our cause. The event had all the earmarks of a Presidential candidate nominating convention as seen on TV. Media coverage was extensive in the local press, Legislative Bulletins and area TV.

All of the invited speakers and key players in the Legislature (except Governor Cuomo) made an appearance and gave very positive remarks about COLA and MOPPS. Alliance officers and public employee union officials gave very inspiring speeches. All in all, the vibrations in the hall were very positive with one last minute major exception. The exception being that the very day of our convention, while it was in full swing, the 4 successful litigant unions in the now famous P.U.C. decision had their own COLA bill introduced the Legislature! For those of you who need a refresher, the

P.U.C. decision was a lawsuit filed against the State of New York by the 4 major unions wherein the State Court of Appeals declared unconstitutional a law enacted by the Governor and the Legislature in 1990 that changed the funding method for our retirement system. The unconstitutional law essentially postponed payments due our retirement system from the state and local governments which totalled $\underline{4}$ billion dollars up to March of this year. This money must now be repaid to our retirement system using some kind of formula over the next 17 years.

We don't know what prompted the unions to introduce their bill on that particular day but it was probably to take advantage of the notoriety of our convention on the issue of pension justice. Prior to their submitting their own bill, extensive efforts were made to reach out to them to join us lock-step with MOPPS.

As a result of this new development, an emergency meeting of the Alliance was called on May 17 since there was now a competing COLA bill with our MOPP bill having been introduced in both Houses. Your PARA representatives attended this emergency meeting in order to help decide next steps. Obviously, the vital victory by the 4 unions in the P.U.C. decision from all perspectives gave them potentially considerable leverage in negotiations for retiree benefits. At the emergency meeting, there was extensive debate which finally resulted in the Alliance switching endorsement of MOPPS to the 4 unions bill. This was a lengthy, well though-out decision and based on all the intelligence available it was the most prudent decision. In addition to the leverage potential, there were several other key factors which motivated this switch. Together, with the 4 unions we now had over 1 million voters speaking with one voice which should draw the attention of the Legislators in this election year. In addition, we had received signals from the key "Albany players" that the union bill had the attention of the (continued, page 2)

THE BEAT GOES ON - COLA, MOPPS, SUPPLEMENTATION (continued)

leadership and contained some provisions which could help them in their re-election campaigns. The content of the union bill need not be detailed here but essentially it was regarded to be more sensitive to older retirees compared to MOPPS and the Legislators felt this was the package they wanted to bring to the Governor. Also, one of the key provisions was that it established a permanent COLA whereas MOPPS had a 5 year sunset clause.

Accordingly, all of our allies in the Legislature were advised that the Alliance (including PARA) had switched their endorsement of MOPPS to the union bill. This was done both by letter and personal visits. All Legislators agreed that any calls or letters written by PARA members on behalf of MOPPS would be termed an endorsement of the union bill. None of our supporters in the Legislature had a problem with this decision and in fact supported it. We just want to emphasize that all your calls and letters were not in vain...but actually a positive because we were speaking with one voice with one million strong voters. All the "important people" in Albany echoed that had it not been for the MOPPS bandwagon, we would not have gotten anywhere.

To continue with the chronology., after many visits and letters to the Legislators who originally introduced the MOPP bills in their respective Houses, another Pension Justice rally was scheduled on June 28. This rally was located in the prominent park between the Capital and the Legislative Office Building. The rally was scheduled during lunch time to capture the active capital State employees and attendance by retiree organizations were again excellent. Chartered buses, vans, etc., again ringed the park and even a chartered airplane touring a banner "COLA NOW" circled the gathering. It was another media event as evidenced by all the local and major TV and radio network vans at curbside.

At this second rally all of the key people in the Legislature (Speaker, President Pro Tem, committee Chairmen, etc.) attended and gave inspiring speeches regarding the need to assist the retired Public Servants whose income had been ravaged by inflation over the years. All said publicly that the current legislative session would not end "without a COLA!" for all deserving retirees. Union leadership spoke as well as H. Carl McCall, former P.A. Commissioner and now State Comptroller, and stressed the need for a COLA and implored the Legislature to act. Again, the entire tone of the rally chaired and sponsored by APRO was up-beat. The unity of the 4 unions and APRO with their combined membership was stressed throughout the day. Immediately following the rally union representatives and the Alliance including your PARA representatives met in closed session to critique the event. Again all felt it was a positive day. Visits were then made to the Legislative Office Bldg to see and talked to Legislators and keep the pressure on.

From this point on, the nature of the beast of politics

being what it is, the focus becomes somewhat fuzzy. Both Houses of the Legislature continued to meet throughout the remainder of the session, however, the 4 union coalition bi which the Alliance supported never came out of Committee! Instead, the Rules Committees of both the Assembly and the Senate introduced in their respective Houses a revised version of the 1988 Supplementation Bill. Of course this astounded all of us in the Alliance and the 4 unions. The Senate and the Assembly, although they drafted companion Supplementation Bills, seemed to be playing games with each other on the wording of certain provisions and exchanged versions of their respective bills with each other several times. Our Alliance staff worked the halls of both Houses the entire July 4 weekend pushing for passage of both bills. The Assembly recessed on Sunday July 3 at about 6:30 A.M. and the Senate recessed shortly thereafter. The Assembly passed their version of the Supplementation Bill but the Senate, after some more last minute revisions, failed to act.

Through an internal Legislative mechanism each House is called into session every 3 days by a designated member to maintain their active status. This way, each body can be called back into full session by their respective leaders (the Assembly by Speaker Sheldon Silver and the Senate by President Pro Tem and Majority Leader Ralph Marino). If they were not kept in this type "active" status, the session would have ended for the year and could only be called bac by the Governor who would then decide the agenda. He has his own objectives and would undoubtedly not call an emergency session merely to discuss public retiree pensions.

On July 14, an emergency meeting of the Alliance was again held in Albany to discuss next steps. That morning meetings were held with the 4 union coalition and they were patently embarrassed. No one seemed to be able to determine what went wrong or who did what to whom. What we did learn is that some of the key Legislative players who were our sponsors were not in the room when the revised Supplementation Bills were introduced. In addition, Mayor Guiliani personally lobbying in Albany against our pension bills brought additional pressure to bear and the Legislature obviously caved-in. At the APRO meeting on the 14th, it was agreed that we could <u>not</u> oppose the revised Supplementation Bills but we should still continue to press for a COLA. This needed to be done at the local level at the Legislators home offices since they had left Albany to start campaigning back home. Our Calling Captains were then contacted on July 28 to implement the N.Y. resident retiree calling lists. They reached out to our fellow retirees requesting them to contact their respective representatives still pressing for a COLA and at the very least a Supplementation with certain enhancement which we provided.

Following this effort, throughout the remainder of the summer and early fall, there were more APRO emergency (continued, page 3)

THE BEAT GOES ON - COLA, MOPPS, SUPPLEMENTATION (continued)

meetings to discuss strategy and member participation. On July 31, at one of our associate member meetings, APRO president Ed Curran had a meeting with Governor Cuomo. The Governor said he would sign a Supplementation Bill if the Legislative leaders could agree on a bill. The Governor then said the Legislature would come back into full session after the election to vote themselves a raise and then address the Pension Justice issue. Meanwhile, we are in a holding pattern waiting for the 2 Legislative bodies to agree on something while they play cat and mouse with each other.

In response to PARA correspondence with the respective house leaderships, we received replies from Senate Majority Leader Marino and Assembly Speaker Silver each blaming the other for failure to enact a Pension Justice bill. However, they both did respond they were working diligently together to develop identical companion Supplementation Bills to be voted on after the election.

Republican gubernatorial candidate George Pataki is on record that he will support pension Supplementation and other measures essential to retirees if elected. There you have it! Both gubernatorial candidates are on record they will sign a Supplementation Bill if elected. We do not know what shape the bill will take as there have been several versions and we have recommended additional enhancements to these versions. We will not go into detail here on the versions or the recommended enhancements as this could only give rise to speculation and false hopes at this juncture. Much also depends on the election outcome which could affect the composition of both Houses in Albany.

What we have tried to accomplish in this

article as stated at the outset is to provide a chronology to bring you up to date on your efforts and those of your PARA representatives. The Newsletter is being purposely delayed to await the outcome of the election and the precise language of promised Supplementation legislation. This will be covered elsewhere in the Newsletter.

"If you haven't got Charity in your heart, you've got the worst kind of heart trouble."

Other Legislative Action

Before recessing for the summer, the Legislature took action on two bills of interest to retirees and pre-retirees. The first is Chapter 220, which increases to \$11,200 the amount that a public retiree can earn in public service without a reduction in his or her pension. PARA has consistently urged the Legislature to raise this limit so that retirees can augment their retirement income and so the State and local governments can utilize the talents and expertise of retirees. Please note, however, that those retirees under age 70 receiving Social Security benefits can earn only \$8,040 before a reduction in Social Security benefits occurs.

The second new law is Chapter 539, which makes a significant change in Tier 4 benefits for members of the New York State and Local Employees Retirement system who retire **after** September 25, 1994. This new law will allow Tier 4 employees to retire as early as age 55 (instead of age 62), but with a major penalty for early retirement for retirees with less than thirty years of service.

A person who retires at age 61 will have his/her pension reduced by 6.67%; at age 60 the reduction is 13.34%; at 59, 18.34%; at 58, 23.34%; at 57, 28.34%; at 56, 33.34%; and at age 55 the reduction is 38.34%. Tier 4 employees may retire with full benefits as early as age 55, if they have at least thirty years of credited service.

In addition, Tier 3 employees will continue to have the option of retiring under Tier 3, which has a "social security offset" at age 62, or under Tier 4, which has no "social security" offset.

Tier 3 employees retiring after September 25, 1994 will be provided with an estimate of their benefits under both Tier 3 and Tier 4 prior to retirement and will have to make an irrevocable decision as to which benefit they want to receive.

"Those who do best are those who make the best of it."

Port Authority Retirees Association, Inc. P.O. Box 331, Ship Bottom, NJ 08008-0212						
Please print or type:	·	()_	Home Phone Number		Check ♥ □ P.A. Employee □ P.A. Retiree Year	
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THANK YOU ONE AND ALL!

To date, 1994 has been a busy year and it isn't over yet. There have been so many people assisting in our efforts and program for Pension Justice, it is impossible to enumerate them all without running the risk of missing some. To attempt to avoid this pitfall, we are using this means as a eneral overview "THANK YOU!"

First and foremost on the thank you hit list are our New York Calling Captains numbering almost 100 strong. On several occasions, on short notice, they were called upon to implement their respective calling lists concerning issues in Albany affecting us all. The response was tremendous. Unfortunately, short notice is sometimes unavoidable owing to the legislative process and this is precisely why the "Telephone Tree" was developed. Based on the number of letters to Legislators and their responses, everyone was doing their job. Elected representatives know letters mean votes and the reaction was just what was required. Thank you Captains!

Thank you to all the New York resident retirees who made their voices heard either through a Calling Captains prompt or their own initiative. Again, Legislators reported they had never had so much keen interest from retirees on the Pension Justice issue before. Your letters and calls really made an impact and that extra effort you made to make your contact is genuinely appreciated. Thank You!

Thank you to the many PARA retirees who attended one or more of the 12 rallies throughout the State sponsored by your Alliance. The turnout was particularly good in the "Down State" areas and the "Upstaters" made their presence felt as well. Every persons' attendance was important and the letters you wrote at the rallies, some 3000 plus of them, were hand carried and deposited in the Governor's office.

Thank you to those who attended the two Conventions for Pension Justice held in Albany on May 11 and June 28. Members of your Board were in attendance at both events and although you were spotted in the crowds the huge attendance by the other 32 APRO member organizations made it virtually impossible to extend personal thanks. Again your presence helped make an impact and impressed the elected representatives. Thank You!

Thank you to our non New York resident fellow retirees! Numerous letters were received from many States requesting names of Legislators who could be written "back home" regarding Pension Justice. Many of you forwarded copies of the Legislator's replies indicating their sensitivity to the issue. All of these efforts helped get us to where we are today and we thank you.

Believe it, without all the help of those who we thank here, we would not be anywhere near where we are today. This has been echoed in meetings in Albany with those who make the decisions. We are hopefully on the brink of a major breakthrough on Pension Justice which will be reported separately in another section of this Newsletter.

Last, but not least and not to be overlooked, but a sincere thank you to all the PARA Board members who unstintedly give of their own time developing retiree benefits strategies, meeting with Port Authority officials, representing us in Albany, answer correspondence, etc., all voluntary and without remuneration. You are what helps make PARA what it is today. Keep up the good work and on behalf of all retirees...Thank You!

"Its nice to be important—but it's more important to be nice."

PARA BOARD CHANGES

A review of the Board composition in the masthead of this Newsletter will reveal some names missing and some added since our last issue. Missing are Al Moncure, Bob Foote and Jerry Orlando all of whom served you well this past year.

Al Moncure passed away in Glens Falls, N.Y. hospital last July after a long illness. His talents and dedication on our behalf will be missed and we send our deep sympathy to his family.

Bob Foote and Jerry Orlando have both relocated out of New York State and felt their effectiveness would be diminished by virtue of their respecive new geographical locations and inability to attend meetings, etc. However, although still not Board members, we will continue to call upon them to assist in many PARA objectives and utilize their special talents.

The new Board members who were nominated and agreed to serve are:

Anthony J. "Tony" Barber - Tony retired in Feb. this year after a long P.A. career which ended as Chief Operating Officer for the Interstate Transportation Dept. While Tony is still "gainfully employed" we look forward to having his talents developed in his long, distinguished career assist us on your behalf.

Patricia Bickhard - Patrioins us after a very rewarding career, first in the former Personnel Dept. and more recently the Human Resources Dept. She published and prepared the "110 News" for the World Trade Center as well as numerous other P.A. publications. We look forward to her bringing

her talents to the table and we know your Newsletter will only get better with her on board.

Richard L. Rowe - Another recent retiree and after a spectacular career which started as a Police Officer then rising up progressively to the highest levels of the organization as General Manager, New York Airports, we welcome Dick to your Board of Directors. Since his career spanned over 40 years, he probably touched many of you along the way. His energy and leadership qualities will certainly be a tremendous asset to your Board.

Straight From the Shoulder

- 1. We have not included an item on the National Health Care Plan as a follow up to our last Newsletter. We have instead saved the space for our COLA items since we are sure most of you have been following the issue in the media and are aware it is a dead issue for this year. PARA will continue to follow the matter closely in the months ahead and will take whatever action necessary to insure our views are expressed in Washington, (i.e., we support National Health Care Reform...but not on the backs of Senior Citizens).
- 2. The Alliance of Public Retiree Organizations met on a regular and emergency basis on nine occasions since our last Newsletter and PARA Board met twice since May at the World Trade Center. On August 24, your Chairman and President also met with Lou LaCapra, Director of Human Resources.
- 3. Once again we extend an invitation to active Port Authority staff to join PARA. It is a good way to keep abreast of the activities in Albany which affect all members of the N.YSLRS and their retirement benefits. While PARA already has a large number of active staff as members, new faces increase our membership base, assist in offsetting expenses such as this Newsletter and increase our representation in Albany. Let's fact

- it, active employees ar really "Retirees In Training."
- 4. Keep us posted on name and/or address changes. PARA records are as accurate as you keep them and the retuned mail count is up. Also, correct names and addresses should be reported to the P.A. of NY and NJ, Compensation & Benefits Division, Human Resources Department, 1 World Trade Center, 61 East, NY, NY 10048.
- 5. Sources of Help: P.A. Benefits *800-269-4280 Retirements System 518-474-7736 Prudential Insurance 800-772-4683 Social Security 800-772-1213

*Port Authority benefits number - still a free call - has been recently changed and a recorded voice "prompts" information from caller to facilitate routing. It's a common innovation in todays business world and may require some adjustment.

"Pride makes us do things well...but it is Love that makes us do them to perfection."