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MEMBERSHIP RENEWAL: If you forgot, annual membership renewal for June 1995 - May 1996 is due. Just use the remittance slip inside. Keep your eye on Washington. Your officers and board need your help.

PENSION JUSTICE UPDATE

In our May Newsletter, we reported the possibility of a lawsuit against New York State Governor Pataki by State Comptroller H. Carl McCall supported by PARA and the other 36 Alliance of Public Retiree Organization members. The lawsuit became a reality in July when the Governor signed into law Chapter 119 of the laws of 1995 (Senate 5363/Assembly 8082). On the surface, Chapter 1 through 11 of the law granted certain public retirees a supplemental pension increase albeit about 30% less across the board compared to our original bill which the Governor vetoed despite pre-election promises. However the "strings" attached to this law in Chapters 13 and 16 were so onerous they prompted the lawsuit by the Comptroller supported by PARA and the other Alliance member organizations.

Chapter 16 included a provision that if the Comptroller brought suit to contest the constitutionality of the bill, the Supplementary payments would be delayed one year until September 1996. Chapter 13 provided for a "raid" on our Pension System Supplemental Reserve Fund to the tune of \$230,000,000 to help the Governor balance his Budget (which incidentally was a record 2 months late)!

As we reported in our August Flash Report, Justice Thomas W. Keegan, State Supreme Court of Albany, on Aug. 9, issued an 8 page decision in favor of the Comptroller and other plaintiffs regarding the "hostage" provision. In the precise words of the decision he ruled as follows: "Finally, in balancing the equities, the scales tip, without a wobble, in favor of the plaintiffs. The 1995 Statute provides that the supplemental benefit increase should (barring suit only) begin on September 1, 1995 and that these increases be paid from the Supplemental Reserve Fund, not by the State or localities. Neither the loss of the Governors' preferred effective date of September 1996 for Chapter 119, nor the loss of one year to allow the State and localities to plan for when the Supplemental Reserve Fund is exhausted five to ten years hence, is equal to the plaintiffs and the Comptroller's im-

mediate loss of their unfettered right and responsibility to seek judicial review of Section 13. Accordingly, plaintiffs motion is granted, and the effect and enforcement of Section 16 of Chapter 119 of the laws of 1995 is enjoined, including any attempt by defendants to prevent or interfere with payment of Supplemental retirement allowances provided.....commencing on September 1, 1995."

It was based on this court decision that we issued our August Flash Report and which ruling then paved the way for the Comptroller to begin supplemental payments this September. However, despite earlier court rulings in 1993 that found that tinkering with the Pension System Funds was unconstitutional, the Attorney General for the State of N.Y. filed a Notice of Appeal with the Appellate Division. In legal jargon, this appeal has put a "statutory hold" on the Comptrollers' ability to make supplemental payments until the appeal is decided. While we can make no prediction as to when the decision will be rendered, the consensus is that it will not be before November (See letter from Comptroller's Office later in this article).

What does all this mean to retirees who are waiting for their well deserved pension supplemental increases?? If the Appeals Court upholds the lower court's decision, supplemental payments will be made retroactive to September in the next monthly pension check after a favorable decision. If for some as yet unforeseen reason, the Appellate Court rules in favor of the Governor and the State, the pension checks including the supplement will be made in the next month which begins at least 30 days after the Court decision. In the former case, the supplement retroactive to September could result in one fairly hefty check after which payments will revert to the monthly percentages printed later in this Newsletter. In the latter case without retroactivity, Supplemental payments will be paid on the basis of the percentages in the chart only for the month they commence.

The other issue concerning the Governor's raid on

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PENSION JUSTICE UPDATE (continued from page 1)

Pension System funds to balance the budget is being argued as we go to press. Even if the lower court decision is in favor of the Comptroller, there is always the possibility that the Attorney General will again appeal that decision leaving it to the Appellate Court to decide the issue. In view of the importance and impact of any rulings on both issues we are printing entoto a letter from the Comptroller addressed to your president which should bring all readers up to date as to where we are at the moment.

In our August Flash Report, we printed the salient features of the Supplementation bill following the favorable ruling by the Supreme Court of the State of N.Y. These features are reprinted here for those who may have mis-laid the Flash Report or did not receive it since they were not immediately affected. Again, the effective date as mentioned earlier is

dependent upon the decision of the Appellate Court. The salient features are:

- 1- Increases pensions for the first time for those who retired between 1983 and 1989;
- 2- Increases pensions for pre-1983 retirees, with the largest increases targeted to long-term retirees;
- 3- Increases the allowance cap on which supplementation is based from \$10,500 to \$12,500;
- 4- Provides supplementation increases for the first time to service retirees aged 55 who have been retired for at least 10 (ten) years. All disability pensioners and others aged 62 or over continue to be eligible.

In calculating the supplemental retirement allowances the following percentages will be used for each calendar year of retirement up to the first \$12,500 of pension:

Year of Retirement	Old Supplemental Percentage	New Supplemental Percentage
1989	0	0.8
1988	0	1.4
1987	0	2.0
1986	0	2.7
1985	0	3.2
1984	0	4.0
1983	0	5.0
1982	1.5	5.9
1981	2.4	7.5
1980	4.1	10.1
1979	6.6	14.0
1978	9.1	18.0
1977	11.3	21.2
1976	13.4	24.4
1975	15.5	27.6
1974	18.9	32.6

Year of Retirement	Old Supplemental Percentage	New Supplemental Percentage
1973	23.4	39.3
1972	26.7	44.0
1971	29.0	47.2
1970	31.8	50.2
1969	39.8	108.4
1968	51.6	131.1
1967	66.2	153.9
1966	80.7	160.2
1965	96.4	166.2
1964	111.4	169.7
1963	126.3	189.8
1962	144.2	210.5
1961	165.2	231.1
1960	189.2	252.1
1959	218.1	294.4
1958	248.4	334.1

* For those who retired in 1958 and earlier, the percentages increase dramatically since they were not eligible for Social Security benefits.

This Supplementation bill was originally scheduled to expire in August 1997, however the expiration date could be changed dependent upon the decision of the Court and the effective date. Pre-1983 retirees currently receiving pension supplementation under the "old" supplementation bill will continue to receive current supplementation. Chapter 138 of the laws of 1995 continued this "old" supplementation until Aug. 31, 1997. As soon as the present challenges to Chapter 119 are resolved, Chapter 119 and its new supplementation schedule as outlined above will supercede the existing law contained in Chapter 138.

You can be assured that your Board of Directors will continue to press for our main objective, i.e., a permanent Cost of Living Adjustment, to try to insure Port Authority retirees receive all the benefits they richly deserve and eliminate the annual anxiety associated with supplementation bills passage or not.

"True friendship is like sound health...its value is seldom known until it's lost."

Port Authority Retirees Association, Inc.

P.O. Box 331, Ship Bottom, NJ 08008-0212

Please print or type:

Last Name _____ First _____ Home Phone Number _____ Year _____

Check
 P.A. Employee
 P.A. Retiree

Address _____ Town _____ State _____ Zip _____

CHECK :

Name, address, or phone number changed? Yes No

Enclosed is \$5.00 Annual Membership Dues (June 1995 through May 1996)

Enclosed is \$_____. I would like to contribute as a sponsor. Receipts in excess of annual dues are credited as sponsor contributions.

Please submit checks only payable to: **Port Authority Retirees Association, Inc.**
 Return form and check to the above address. Retain cancelled check for your receipt.

MEMBERSHIP INITIATIVE FOLLOW-UP

Those Port Authority retirees who still have friends and associates at our old employer and stay in contact probably are aware of the significant staff changes taking place even as we go to press. We previously reported an arrangement PARA developed in conjunction with the Human Resources Dept. whereby recent retiree names would be published in the PA Diary. This is no longer possible owing to the numbers of recent retirees coupled with other Diary space requirements devoted to other necessary communications for active employees.

In September alone, there were over 300 Port Authority employees who left the organization either for retirement, downsizing or other reasons. Another similar number is rumored shortly after you receive this Newsletter. Human Resources Dept., however, has continued to be most cooperative in a necessary change to the Diary arrangement by furnishing PARA with a complete list of names of those who left the organization the previous month. Upon receipt of these lists, we still prepare a complete package of a recent Newsletter together with an application blank and a letter from your president inviting all to join us. These packages are forwarded in sealed, stamped envelopes to Human Resources Dept. for labeling and forwarding to the departee. Again, for understandable, privacy reasons, Human Resources Dept. cannot provide us with addresses but they have done the next best thing for which we are most appreciative. It is then up to the former employee to decide whether to join and complete an application blank. We cannot provide any definitive estimate as to how this process has increased our membership rolls as we go to press but this information should be available by our next Newsletter.

The Port Service Club annual luncheon usually held in

November each year to recognize employees with 25 years of service has been postponed. At this writing, it has not been rescheduled and discussions are underway by the Port Service Club as to how to publically recognize these long service employees. This function, as we mentioned in our May Newsletter, was one where we had hoped to distribute literature and application blanks to make active (Retirees in Training) aware of our activities and hopefully increase membership. As an alternate approach, several PARA retirees have volunteered to speak and assist at the next Retirement Seminar in the W.T.C. on Nov. 1 and will distribute PARA application blanks to those interested.

At the Oct. 17th meeting of the Port Service Club in the W.T.C., your president addressed the group to explain our activities in Albany and Washington. There was much give and take and a genuine interest and positive response to our PARA organization. We are also discussing with the Port Service Club areas of "mutual helpfulness" which need further development before coming to fruition.

Again, our major thrust in this area is to increase membership and keep our annual \$5.00 membership fee intact. Many of you forwarded several interesting possibilities, including a Life Membership program and free first year membership inducements which will be discussed at the next PARA Board meeting in November. We urge you to continue your own recruiting drive from among your circle of friends and acquaintances both in the retiree and active ranks and together we will be a bigger, better, more effective spokesperson for retirees.

"Crisis Management: the ability to make anything sound much worse than it really is!"

WATCHING WASHINGTON

It should come as no surprise that Congress has targeted Medicare for huge, huge cuts. We cautioned this possibility in our last Newsletter and urged you to follow the trends in the weeks and months ahead.

The political process being what it is, sometimes things move rapidly and sometimes they take forever or not at all. In the case of Medicare, the House of Representatives moved faster than expected. In a vote on Oct. 19, 1995, the House passed a Republican plan for overhauling Medicare by raising premiums for the elderly and disabled and saving billions from hospital and doctor fees. The vote culminated a long, bitter day of debate about the future of the health plan for America's 33 million elderly and 4 million disabled workers. With all the press coverage and analysis, we are sure you are aware of exactly what the options are so they will not be repeated here.

Suffice it to say that PARA will be on record with

President Clinton endorsing and supporting his veto of any bill which tinkers with the current provisions of Medicare.

The important thing is not to listen to the rhetoric, but to learn the facts about Medicare and why it is critical to the health and well-being of every citizen in this country.

Some things to keep in mind:

- * Before Medicare was passed, only 50% of seniors had health insurance; today over 37 million have coverage.
- * Administrative costs for Medicare are only 2.5 cents per dollar; private insurance and managed care can cost between 8 cents to 40 cents per dollar to administer. This makes Medicare much more efficient, plus the government controls costs by paying pre-determined amounts for services... the others do not!

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WATCHING WASHINGTON

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- * The House resolution will cut \$270 billion from Medicare over 7 years forcing seniors to pay \$4,400 out of pocket.

Plans for "reforming" the Medicare program will involve attempting to persuade many seniors, through financial incentives, to switch to managed care plans. The insurance industry would profit even more because they would begin serving the 37 million strong Medicare population. Medicare does not pay for large salaries and bonuses of CEO's marketing and shareholders' profits.

Congressional leaders keep saying that they want to give Medicare beneficiaries "choice". Choice is exactly

what they have now. The choice that the leadership means, however, is either buy private insurance and get care from a Managed Care Organization (and get less service) or stay in the traditional Medicare and pay even deeper out-of-pocket health care costs than at present.

PARA is making its' position known. Contact your congressional representatives and the President and let them know yours.

"An egotist is someone who is always "me-deep" in conversation."

Straight From the Shoulder

1. The full PARA Board met twice since our last Newsletter. In June we met at the WTC and in Sept. at the G.W.B. Administration bldg. In keeping with the Bi-State nature of our organization, we alternate meetings between N.Y. and N.J. The next full Board meeting in November will be at Port Newark.
2. The Alliance of Public Retiree Organization met in Albany on a monthly basis since our last Newsletter with even one meeting in Syracuse, N.Y. to accommodate those public retiree organizations in the further reaches of N.Y. State. There were also several rallies around the State with the same theme of promoting Supplemental Legislation among our elected officials as reported elsewhere in this Newsletter. Comptroller McCall was the featured speaker at all the rallies and is providing very impressive leadership in our quest for Pension Justice.
3. In connection with our activities on the National level, we are expanding our official PARA identification to Florida. About the time you receive this Newsletter we will have established a Post Office Box number in Englewood and have appropriate stationary printed. Bob Foote who winters there has graciously agreed to handle all the details including letters to the Congressional delegation and President Clinton regarding our stance on Medicare. The PO Box information will be printed in our next Newsletter as well as arrangements to handle this detail during the Summer months. Any thoughts in this regard by our Floridian retirees would be most appreciated.

4. Many of you wrote to thank us for our attention grabber in our last issue by printing this important notice upside down. Since this was such an effective device, we are repeating the same notice in the same manner. Unfortunately, it is the kind of information that could easily be glanced over since, when it doesn't apply, it seems superfluous. When it does apply, it could easily be the most important item in our Newsletter! So, be sure you keep your name and address current with PARA and the Port Authority Compensation and Benefits Division. Changes should be reported to PARA at the address on the masthead of this Newsletter and to the PA of NY-NJ, Compensation and Benefits Division, Human Resources Dept, One 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 today's business world and may require some adjustment.