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MEMBERSHIP RENEWAL:

Annual Membership renewal for June 2000-May 2001 is overdue. An asterisk* on the mailing label indicates that PARA records do not show your current dues payment. If you've already renewed your membership, ignore the reminder. If you haven't please complete the form inside and mail together with your remittance. Thank You!

KUDOS TO YOU FOR THE COLA

As we reported in our Special Summer Newsletter, in June, the New York State Senate and Assembly passed identical legislation for a Cost of Living Adjustment and Governor Pataki signed the bills into law in an historic ceremony at the State Capitol in Albany. *We won at last and it's a good feeling.*

Our summer special issue described the basic eligibility features of the COLA legislation. Many of you saw the resulting benefit in your September 00 retirement checks. Those of you who did not get an increased benefit will receive a notice when you become eligible.

You and other New York State public retirees deserve most of the credit for this victory. It was your calls, letters, post cards, email notes and personal visits to your legislators that made the COLA a reality. In his remarks at the signing, Governor Pataki made a point of saying that it was the retirees' efforts that won the day.

Our work, however, is not at an end. This victory was just the critical first step. It got our foot in the door at last. You can be assured that PARA will continue to work very closely with the Alliance of Public Retiree Organizations and the New York State Legislature to enhance and further improve this critical benefit for all public retirees in the years ahead. PARA will keep you up to date on our progress. Again, many thanks on behalf of all Port Authority retirees to those of you who answered the call.

"Gratitude is a duty which ought to be paid but which none have a right to expect."

FEDERAL ISSUES

PARA has spent a good deal of energy this year on the COLA campaign, but we are also very much aware of the federal issues that concern all of us. They are a constant item on our PARA's Board meeting agendas, and one that your President constantly monitors.

To date, despite much ink on the subject, the 106th Congress has not seriously considered any legislation on reforming the Social Security System to restore its long-term financial solvency. Medicare reform, with or without prescription drug coverage, is not closer to passage, even though several House bills have been introduced. While a stopgap measure may be approved for Medicare prescriptions by the end of the year, more meaningful structural reform still seems to be a long way off. There is a possibility, however, that the new 107th Congress will start considering the issues. We hope so!

PARA will be following these discussions very closely. We will keep you abreast of any meaningful breakthroughs.

"Mistakes are part of the dues one pays for a full life."

BOARD OF DIRECTORS CHANGES

We are sorry to report that two of our long-time Board members have retired.

Steve Kenny, one of PARA's original eight founding fathers in 1987, has resigned effective with this Newsletter. Steve served as our Second Vice President and Secretary for the past 10 years. The arduous trips from his home in South Jersey to various PARA meetings has finally become too much for him to handle.

It is with great sadness that we accept Steve's resignation. Thank you Steve, for all you did for PARA. We wish you well in the years ahead. We'll miss your quick wit and your famous line of greeting —“Stay loose.” Stay loose, Steve.

Tony DeBiase, our other long-service Board member has also resigned. He has relocated from New York State to North Carolina. Tony served as PARA's Legislative liaison in Albany since he began his service on our Board. He was our “eyes and ears” in the State Capitol during PARA's developing years and was instrumental in keeping us attuned to retiree issues. We wish you well, Tony, and we send you our sincere thanks for all you have done for retirees.

Since Steve and Tony began their work with PARA, our organization has grown from just eight members to a now robust 4,300. That's quite an accomplishment.

“The best thing about the future is that it comes one day at a time.”

BEFORE YOU MOVE

Now that a permanent pension COLA is the law, we thought we would raise another pension issue for those of you who may be contemplating a move to another state.

As you may already know, NY and NJ tax collectors treat their resident PA retirees differently. NYs does not tax either Social Security or PA pensions. NJs taxes our PA pensions (with variations), but not Social Security. Some other states tax everything they possibly can. Still others do not impose either state, Social Security or pension taxes. They rely on property taxes and other collectibles. As you can see, there is a great deal of variation in tax receipts.

Of course, many other considerations outweigh taxes—family, friends, climate, and cost of living, to name just a few. Still, PARA strongly suggests that you check out the tax situation

before making your final decision about where you want to live. Consult your tax advisor or call the Retired Public Employees Association at 518-869-2542 or 1-800-726-7732. They will assist in answering your questions.

RPEA has graciously agreed to our publishing the 50-state tax table you will find later in this issue. We think it's worth a look.

Regarding the New York-New Jersey disparity, you may be interested to know that New Jersey Assemblyman Rudy Garcia has introduced legislation into the NJ Assembly that proposes to exclude pension benefits from gross income, subject to the gross income tax. We understand that Garcia has introduced this legislation before, and will be following closely to see if there is a role that PARA can play.

STRAIGHT FROM THE SHOULDER

1. We recently received literature from the Department of Veteran's Affairs in New Jersey stating that there are new services available in New Jersey for veterans. New community-based outpatient clinics have been established throughout the state. For details, call 1-888-594-3553.
2. Since our last regular Newsletter last spring, PARA Board of Directors met at the PATH Journal Square Transportation Center in May, The PABT in September, and the World Trade Center in November. The major topic was strategy for getting the COLA bill passed and after it was accomplished, determining the next steps.
3. The Alliance of Public Retiree Organizations has been meeting monthly in Albany, and PARA was represented. The only exception was in October, when the meeting was cancelled, due to Alliance President Ed Curren's emergency surgery. Ed has been doing a fantastic job in leading the Alliance. We wish him a speedy recovery.
4. Our Membership Committee, chaired by Tom Donovan, is reviewing candidates for the two Board of Director vacancies mentioned earlier in this Newsletter. Once two candidates, one from New York and one from New Jersey, are nominated by the Committee and approved by the full Board, we will announce them in the Spring Newsletter.
5. As usual, a dues slip is included in the Newsletter for those members who have not yet paid for the period June 2000-May 2001. To assist us in our bookkeeping, we ask that now and in the future you indicate the amount paid in the appropriate box on the form. It saves us a lot of time computing!
6. Bob Foote at bobfoote@tds.com continues to accept email addresses for those who have not yet signed on. The list is growing and we are considering ways to use it to improve communications with the membership.
7. **Retired PARA members should send address changes to *PA Today*, 1 World Trade Center, 68 South, NY 10048, and to one of the Post Office boxes listed on PARA's Newsletter masthead.**

Sources of Help:

<i>P.A. Benefits:</i>	800-269-4280, or 212-425-6163
<i>Retirement System:</i>	518-474-7736
<i>Prudential:</i>	800-772-4683
<i>United HealthCare:</i>	877-259-1391

"The income tax has made more liars out of the American people than golf has."

BEFORE YOU MOVE, CONSIDER THE FOLLOWING

State	Has a State Income Tax?	N.Y. State & Local Pension Benefits Included in Taxable Income?	Social Security Benefits Taxed?	Comments
Alabama	Yes	No	Yes	Pension not taxable.
Arizona	Yes	Yes	No	No Exclusion for N.Y. pension distributions.
California	Yes	Yes	No	No Exclusion for N.Y. pension distributions.
Colorado	Yes	Yes	Yes	Pension & Social Security combined exclusion per taxpayer \$24,000 in 2000.
Connecticut	Yes	Yes	No*	*Social Security income excluded if Line 1 is \$50,000 for single filers, married filing separate. \$60,000 for married filing joint.
Florida	No	No	No	No income tax.
Georgia	Yes	Yes	No	Age 62 may exclude up to \$13,000 per taxpayer.
Maine	Yes	Yes	No	No Exclusion for N.Y. pension distributions.
Maryland	Yes	Yes	No	Maximum Pension Exclusion \$16,000.
Massachusetts	Yes	Yes	No	Pension exclusion up to \$20,000.
Nevada	No	No	No	No income tax.
New Hampshire	No*	No	No	*Interest & Dividends Taxed.
New Jersey	Yes	Yes	No	Pension Exclusion - Married filing joint - \$10,000. Married filing separate - \$5,000. Single - \$7,500. See last item **
New Mexico	Yes	Yes	Yes	No Exclusion for N.Y. pension distributions.
New York	Yes	No	No	N.Y.S. Pension exempt.
North Carolina	Yes	Yes	No	\$4,000 public pension exclusion per taxpayer.
Ohio	Yes	Yes	No	No Exclusion for N.Y. pension distributions. Retirement income Credit Limit \$200. Senior Citizen Credit \$50.
Pennsylvania	Yes	No	No	N.Y. Pension exempt.
South Carolina	Yes	Yes	No	Under 65 pension exclusion \$3,000. Age 65 & up pension & income exclusions limited to \$15,000.
Tennessee	No*	No	No	*Interest & Dividends Taxed.
Texas	No	No	No	No Income Tax.
Vermont	Yes	Yes	Yes	No Exclusion for N.Y. pension distributions.
Virginia	Yes	Yes	No	Age Exclusion \$6,000 ages 62, 63, 64. \$12,000 age 65 and older.
Washington	No	No	No	No Income Tax.
Michigan	Yes	Yes	No	You may exclude pension benefits up to \$34,170 for single filer and \$68,340 for married filing joint. In addition a Senior Citizen exclusion up to \$7,620 filing single or \$15,240 filing a joint return. Senior exclusion reduced by pension benefit.
Delaware	Yes	Yes	No	Under 60 amount excludable up to \$2,000. Age 60 and over pension received or \$12,500 whichever is less.
Rhode Island	Yes	Yes	Yes	No exclusion for N.Y. pension distributions.
Missouri	Yes	Yes	Yes	Up to \$6,000 pension exclusion per taxpayer.
Illinois	Yes	No	No	Pension & deferred Comp. not taxable.
Oregon	Yes	Yes	No	No exclusion for N.Y. pension distributions.
Kentucky	Yes	Yes	No	Retirement Income exclusion up to \$35,700.

(Continued on Page 5)

A WORLD OF
GOOD WISHES

BEFORE YOU MOVE, CONSIDER THE FOLLOWING (continued from page 4)

State	Has a State Income Tax?	N.Y. State & Local Pension Benefits Included in Taxable Income?	Social Security Benefits Taxed?	Comments
Indiana	Yes	Yes	No	No exclusion for N.Y. pension distributions.
West Virginia	Yes	Yes	Yes	Age 65 exclusion up to \$8,000.
Louisiana	Yes	Yes	No	Age 65 and older exclusion up to \$6,000.
Oklahoma	Yes	Yes	No	Age exclusion up to \$3,300 per taxpayer.
Utah	Yes	Yes	Yes	Exclude up to \$4,800 less than age 65 with income limits. Age 65 and older up to \$7,500.
Wisconsin	Yes	Yes	Yes	No exclusion for N.Y. pension distributions.
Hawaii	Yes	No	No	Deferred Compensation Plan may be taxable.
Mississippi	Yes	Yes	No	Pension Benefits are exempt.
D.C.	Yes	Yes	No	Pension exclusion up to \$3,000.
Arkansas	Yes	Yes	No	A \$6,000. exemption for retirement or disability income for distributions from public or private retirement systems.
Minnesota	Yes	Yes	Yes	No Pension exclusion. Has age 65 exclusion.
Montana	Yes	Yes	Yes	Pension exclusion up to \$3,600.
Nebraska	Yes	Yes	Yes	No exclusion for N.Y. pension distributions.
Iowa	Yes	Yes	Yes	Pension & Deferred Comp. may qualify for partial exclusion up to \$5,000 for single and up to \$10,000. for married filing joint.
Kansas	Yes	Yes	Yes	No exclusion for N.Y. pension distributions.
Alaska	No	No	No	No Income tax.
Wyoming	No	No	No	No Income tax.
South Dakota	No	No	No	No Income tax.
Idaho	Yes	Yes	No	No exclusion for N.Y. pension distributions.
North Dakota	Yes	Yes	Yes	No exclusion for N.Y. pension distributions.
New Jersey**	Yes	Yes	No	Pension exclusion age 62 or higher. Married filing joint - \$10,000. Married filing separate - \$5,000. Single - \$7,500.

*Thanks go to PA retiree Mr. Herbert Ouida for his timely notification of an error in the table. He brought attention that the New Jersey pension exclusion applies to individuals who are 62 or older or to someone who is disabled.

Port Authority Retirees Association, Inc.

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

Please print or type:

Check

P.A. Employee

P.A. Retiree

Last Name First Home Phone Number Year

Address Town State Zip

CHECK :

Name, address, or phone number changed? Yes No

Enclosed is \$5.00 Annual Membership Dues (June 2000 through May 2001)

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.