

PARA-phernalia

Your **P**ort **A**uthority **R**etirees **A**ssociation Newsletter • Edition Number 35 • Fall 2005

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Ed O'Malley Resigns from the Board

It is with great disappointment that we report Ed O'Malley's resignation from our Board Of Directors. He has contributed much to PARA and the Port Authority and his sage counsel will be sorely missed. We thank him for all of his contributions and guidance and his efforts on behalf of retirees during his active career.



"Don't forget Where You Put Your PARA-phernalia."

PA News Available Through E-Mail

Just a reminder. If you have a computer at home you can keep up with goings on at the PA by getting the PA Weekly News. This publication covers current PA doings. It's easy. Just send your name and E-mail address to panews@panynj.gov and you'll be on the list. Your PA News will come through automatically. Just remember to check your e-mail.

Cost of Living Adjustment (COLA)

We have become aware that a number of newly retired employees are not familiar with PARA'S participation in the ongoing COLA process and other retiree issues. Perhaps this article will serve to provide some general historical background.

Throughout the 1900's, retired public employees from state agencies, county organizations, municipalities and towns statewide, school districts as well as Authorities (e.g., The Port Authority) were reliant upon a periodic Cost of Living Adjustment or COLA for any increase in their monthly pension check. The frequency and amount of any COLA increase depended entirely on the condition of the state budget, agreement among the State Assembly, the State Senate and the Governor. In tough times, when the state budget was in difficulty or there were ongoing contentious political issues there would be no COLA. When increases were allowed they were quite modest. Only when external pressure was applied by outside organizations would there be action by the politicians in Albany. Most "lobbying", initiatives were undertaken by small groups of retirees who acted primarily in their own self interest. The results were modest and infrequent increases...just ask anyone who retired in the 1970's and 1980's.

In the late 1980 s, the "Alliance of Public Retiree Organizations" or APRO was formed to fight the battle to get an automatic annual COLA, as well as to provide support for other retiree issues. APRO is currently composed of 41 different retiree organizations representing over 500,000 public retirees from various jurisdictions/agencies in New York State. At the same time the newly created Port Authority Retiree Association (PARA) joined the newly formed APRO group and has participated in their monthly meetings in Albany ever since. Representatives from major and small cities throughout the state participate in these critical meetings to plan and implement strategies that will ensure that the legislature is aware of the needs of retirees.

Finally in July 2000 APRO was taken seriously by politicians and was able to gather the support needed to pass a COLA bill that provided an automatic PERMANENT annual increase in pension checks each year in September. COLA payments are based on the US Consumer Price Index and payments are calculated based on 50% of the annual rate of inflation that is reached on March 31st of each year. Since this year's inflation rate was 3.15% the COLA was equal to 1.6% and should have been reflected in your September 2005 checks. (COLA is applied against the first \$18,000 dollars of your annual pension amount). The legislation also puts a 3% cap on a COLA payment. Therefore if the inflation rate is greater than 6% retirees will only get a 3% increase.

Since 2001 APRO has been working vigorously on the elimination of that cap and will continue to hammer away on the issue during coming Legislative sessions. Bills have been introduced in the legislature and either died in committee or were vetoed by the Governor. There are many other efforts that APRO addresses that impact the benefits of small towns and rural counties in which PARA participates to help our fellow retirees. Nevertheless the primary issue for our representatives attending those monthly meetings is to not only retain but to improve pension benefits for PARA members.

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The Port Authority Retirees Association, Inc. does not provide, and this newsletter does not constitute, legal, accounting, tax or other professional advice. We recommend you contact your own legal, accounting, tax or professional advisor as neither The Port Authority Retirees Association nor anyone associated with the Newsletter assumes responsibility for your relying on the information provided even though we have attempted to ensure that it reflects our understanding of what is presented.

A Message From Your President

I am writing this on September 11, 2005, a beautiful crystal clear day so much like that day four years ago. On the TV and radio one hears the voices of family members reciting the names of and fondly recalling those who perished so unexpectedly and brutally. On September 11, 2005 one is engulfed in the horrors of Katrina with all too vivid images of suffering and destruction at every turn of the dial.

Let me suggest that we draw solace from both of these tragic events. The names of the World Trade Center victims, some of whom are known to many of us, reflect the enormous diversity of religion and ethnicity of those who worked together to create something of value with a global impact on this interdependent world. Part of the Katrina story is of the many who gave and are still giving so freely of their time and money and even opened their homes to help displaced victims. One is moved by the resilience of those survivors affected by both events who have been able to reclaim their lives or have resolved to rebuild.

By the time you read this Newsletter, media coverage of both events will have faded and the initial rush of generosity and compassion will have abated, but clearly the enormous need for both will still be there. We can find ways to help, perhaps by making a donation to those charitable entities that are providing assistance to those affected. We can reach out to families of our lost colleagues who did not reach retirement as we did to see if we can be of help or at least let them know that their loved ones have not been forgotten.

One cannot ignore the pain and the evil that we all have faced but at the same time we should embrace all that is good in our lives. We would be remiss if we did not enjoy our families, friends, all the wonders of nature that surround us, sports, music and all the things that enrich us each day. Please forgive my personal reflections as I know that for most of you September 11, 2001 left more than just a vast void in downtown Manhattan.

In the next issue of this newsletter it is expected that the membership will be asked to elect the Board of Directors. This vote is a part of the program that PARA's Board is proceeding with to assure that the Board is doing all that it can to serve our members well. Your vote is important so we urge you to cast your vote when the time comes. It is equally important that we hear your thoughts.

*Please write to me at: Port Authority Retirees Association Inc.,
P.O. Box 486, Roslyn Heights, New York 11577-9998, e-mail me at:
Richard@Helman.net or FAX your thoughts to me @ 1-516-484-1992.*

I and the Board of Directors wish you and your families the best of
Holiday Seasons and much happiness for the year ahead!

Richard Helman, President



The PARA Gallery

A Request for Photos

Please send us snapshots of recent or past PA and PARA get-togethers and special events along with a brief description and if possible, the names of those pictured in the photo. Prints, color slides and digital images are acceptable. When sending digital photos, only high-resolution photos at a minimum resolution of 900 x 1200 dpi will reproduce at the desired quality.

That was then...

Things were so much simpler in 1945. Imagine advertising for "Husky Men" today. The newspaper would probably refuse to place the ad for fear of being sued unless it was for a "singles" ad. Liz Delaura speculates that what was the 15th floor auditorium may have become the cafeteria? If there is anyone out there who responded to this ad we would like to hear from you or if any of you have similar memorabilia please e-mail them to the Editor at LYST99@aol.com. This copy was e-mailed to me by Bob Dudajek but I'm not sure of the original source.



1965 Downtowners - Softball League Champions



PA Photo is courtesy of Bob Jago.

Back row: Harmon Williams, Sal Samperi, Frank Simon, Frank Caggiano, George D'Allesandro, John Nikolai and Joe Lucarello.

Center Row: Miguel Caban, Joe Nardollilo, Joe Grasso and Pete Giovannini.

Front Row: Bernie Petrozello, Dick Schulman and Sal Foti.

Some ID's may be sketchy but they are the best that a batch of us could come up with. If any are wrong, it should stimulate some correspondence.



PARA-mount Importance

Social Security-An Enormous Program

Social Security, a significant source of retirement income for many of us, affects millions of people and brings billions of dollars into the U.S. economy each month. The Social Security Administration reported that in the Month of December 2003 alone, benefits totaling \$39.5 billion were paid to over 47 million people. Consider the magnitude of those numbers and how they affect the country's economy.

Social Security is a complicated system with extensive rules and regulations governing the distribution of many different types of benefits. In spite of the huge number of people it serves and the enormous amount of money it handles it is an efficient system with administrative costs of less than 1% of payroll taxes collected annually. Several months ago and to some extent even now the media have been paying a lot of attention to the problem of Social Security's long-term, that is 75 year, financial deficit.

Thousands of words, many of them confusing, have already been written on the subject and many thousands more are yet to come. How can people understand what is being proposed, and even more importantly, will they be able to evaluate it? One way is to know what questions to ask and what answers to look for as various reform plans are discussed.

Most economists believe there are four basic aspects of the Social Security system which must be considered as plans are developed to reform the System:

- Restoration of the system's long term financial balance and its effect on the federal budget
- Adequate retirement benefits
- Social insurance benefits and
- Administrative costs

They further believe that these four topics should be evaluated using the assumption that there will be no radical changes in the economic or population figures used for Social Security's projections. Therefore when evaluating any proposed changes you should be asking yourself how each proposal will:

1. *Restore long term balance to the System? By relying exclusively on a few large benefit cuts or tax increases? Will the reform maintain financial solvency beyond the 75 year problem period?*

2. *Increase revenues? By increasing payroll taxes? By using the general fund? By using a dedicated revenue source such as the estate tax, or by making investments in the market?*

3. *Adjust benefits? By changing the formula for calculating benefits? By indexing, that is changing the way a worker's earnings are adjusted at retirement to reflect overall economic growth? By reducing the annual Cost of Living Adjustment?*

4. *Provide adequate retirement income for all? Does the proposal consider the effects of benefits reductions on workers with low lifetime earnings and on workers who because of poor health or long-term structural lay offs, cannot work until they reach normal retirement age which provides 100% of benefits?*

5. *Protect the social insurance benefits currently provided to disabled workers and their families and to the survivors of deceased workers? By maintaining current benefit levels? By ignoring their unique needs? By proposing research to clarify these needs? By shifting these functions to another federal program?*

These are the questions you should be asking when analyzing any proposals to reform the Social Security system. Keep them in mind as well when you follow news coverage of any proposed change and raise these questions with your elected representatives. How we react may after all dictate the continuation of our own benefits not just the benefits of future beneficiaries of the Social Security system.

Employee Benefits Update

We've been in contact with the Port Authority Employee Benefits Division and they would like us to remind you that it is very important to you and the Port Authority to keep your address updated. If you have moved and did not inform Employee Benefits, please mail in your current address as soon as possible to: Port Authority Employee Benefits, 225 Park Avenue South 10th Floor, New York, NY 10003.

Also, if you haven't provided the Social Security number of your spouse and eligible dependent/s as recently requested by Employee Benefits, please do so immediately to ensure that your claims are paid in a timely manner.

If you have any questions regarding your health benefits.

Please Contact:

United Healthcare
(877) 259-1391

Employee Benefits
(212) 435-2870

Some Observations about Our Retirement System

Last year two seemingly unrelated items surfaced but both very much touching on our Retirement System and its future. The first was the minutes of the last Comptroller's Advisory Council Meeting and the second, an article in the Albany Times Union, which received little notice statewide. The article basically stated that Ed Farrell of the NY Council of Mayors (NYCOM), no friend of retirees, suggests that the Retirement System would be better off if it was run by a board of trustees. Ed Farrell and NYCOM were among the loudest supporters of the unconstitutional and illegal proposals last year to under fund the Retirement System. PARA is unalterably opposed to anything that would change the single fiduciary responsibility of the State Comptroller.

A little recent history may be in order to make the point. When retirees received the COLA, one of the few groups in organized opposition to it was NYCOM. A second and more serious stumbling block was the relatively higher cost that the New York City Retirement Systems had to pay as compared to the Employees Retirement System or Teachers System. This was caused by the fact that the New York City Systems were seriously under funded. This was attributed in large part to the fact that the NYC Systems are run by boards of trustees which boards include employee and city representatives. Over the years, these boards permitted NYC to fund employees' raises, in part by shortchanging or under funding their retirement systems.

As the minutes of the Advisory Council show, the problem continues. For 2006, the annual contribution rates for the ERS will be 10.75%; in NYC the rates are 13.9%. The discrepancies for police and fire are even greater, 15% for the PFRS and for New York City they are 50.2% and 69.3%. Projections for 2008 are 11% for ERS and 18% for NYC. For Police and Fire they are 16% upstate and 55% and 74% for NYC. So much for the benefit of a board of trustees as compared to the single fiduciary responsibility of The State Comptroller. Also of note in the Advisory Council minutes is a partial listing of problems with other governmental retirement systems:

Some of interest are: California, Illinois, Kansas, New Jersey, Oregon, West Virginia and Wisconsin have authorized bonding to address state or local unfunded liabilities. Missouri and New Jersey prohibited benefit increases until pension system finances improve.

You may recall that in our last Newsletter, based on information shared with us by Jack McPadden of Comptroller Hevesi's office, the New York State Pension Fund is financially sound. Nevertheless we will be watching this issue closely and will call on you if ever we need your support in deterring any further proposals to change administration of our system from single fiduciary responsibility to a board of trustees.

MEMBERSHIP RENEWAL REMINDER

Renewal of annual membership dues for June 2005 - May 2006 are overdue. If you have already renewed your membership, ignore this reminder. If you haven't, please use this remittance form below and the convenient return envelope enclosed. Don't forget to add postage. And remember to let your elected representatives know that you are watching how they vote on retiree issues!

PARA DUES REMITTANCE FORM

___ P.A. Employee
___ P.A. Retiree
___ Year

Please print or type:

		()	
_____	_____	_____	
Last Name	First Name	Home Phone	
_____	_____	_____	
Address	Town	State	Zip Code

Please Check:

Has your name, address or telephone number changed? ___ Yes ___ No

___ Enclosed is \$5.00 annual membership dues for period of June 2005 through May 2006

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

Please only make checks payable to: Port Authority Retirees Association, Inc. Retain cancelled check as your receipt.

Mail with Remittance Form (envelope provided) to: Port Authority, Retirees Association, PO Box 0344, Thiells, NY 10984-0344



Health Care Proxies

In light of the national public interest generated by the Terry Schiavo case in the state of Florida, the New York State Health Commissioner has urged all New Yorkers to protect their decision making power by completing a health care proxy to legally designate someone they trust to make health care decisions on their behalf when they are unable to do so.

The Terri Schiavo case was a tragic situation for all involved. Regardless of your personal beliefs on the complex legal and medical issues raised by this case, a health proxy will help protect you and your loved ones from facing similar trying circumstances. Generally a health care proxy allows individuals to designate another person as their "agent", with the authority to make health care decisions for them. The proxy can be written to give the "agent" as much or as little authority as the individual desires. It is generally recommended that an agent and an alternate agent be designated. Appointing a health care agent is voluntary and is a decision that you may wish to make to better plan for potential contingencies in cases of changes in your health status that leave you incapacitated.

New Yorkers can visit their state's Health Department web site at www.nyhealth.gov to learn more about a health care proxy and download the proxy form.

If you lack internet access you may write to the NYS Health Department, Box 2000, Albany, NY 12220 to request a copy of publication #1430, NYS Proxy Law. Those of you living in other states should contact your state's Department of Health for information on this subject.

Who's Doing What Now

Some of us who retire sit on our laurels and enjoy the fruits of our labor while others do the things they never had time for. Still others get their creative juices flowing and share their talents and their experiences with the rest of us. One such retiree is Dan Keough. Dan, who retired in 1991 after 29 years was editor of the Port Authority's monthly international commerce magazine for fifteen years. He also served as an international trade advisor to the Dean of New Jersey's Middlesex College for two two-year terms. At seventeen Dan went to sea and there began accumulating knowledge that became the foundation for his latest accomplishment. His naval experiences ranged from "showing the flag" in the scorching harbors of the Red Sea and Persian Gulf to dodging icebergs at the bottom of Cape Horn. Military decorations for his Korean War service include a South Korean Presidential Unit Citation and the Navy Combat Action Ribbon. Dan was commissioned from the ranks and can readily view things from the perspective of both an enlisted man and officer.

And now the rest of Dan's story: "No Tombstones in the Sea", A Voyage Back to Hell by Dan Keough. In this fictional account, the author takes you aboard an American destroyer...a haunted worn out relic that should have been in mothballs in 1945 rather than being thrust into another war. The crew, like the ship, are retreads...reservists who would rather be anywhere but in the Sea of Japan participating in a "police action". This is a tale of combat afloat, wild and wacky liberties ashore and the story of the women left behind. Dan's book was recently published and a two page excerpt is available at www.rosedogbookstore.com for those of you who may be interested.

A very moving story about two 9-11 survivors was forwarded to your Editor for inclusion in the Newsletter. However, it was quite lengthy so we thought we would put it on our web site for your reading pleasure. To access it, go to : www.helman.net/para.htm. If any of you have other articles of interest please feel free to send them to the Editor at: LYST99@aol.com