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MEMBERSHIP RENEWAL: Annual membership renewal for June 1994 - May 1995 is due. Just use the remittance slip inside. We have relocated this slip in this issue at the request of many who want to retain the masthead for mailing addresses, officers and board members. Don't forget to write your elected officials to urge support for MOPP! Do it now!

MAINTENANCE OF PURCHASING POWER UPDATE (MOPP)

This Newsletter is the first since PARA established a N.Y. base of operations Jan.1, this year. As reported in our November issue and elsewhere in this issue, the primary reason for a N.Y. base is to increase our influence in Albany where all decisions regarding our pensions are made. Previously, despite intense efforts by our N.J. Headquarters, response from Albany legislators had been disappointing at best. Accordingly, the focus of this Newsletter is the current N.Y. Legislative session and the Maintenance of Purchasing Power (MOPP) bills in the Senate (S5878C) and the Assembly (A9699A). Although we recognize there are many other retiree issues and concerns, we felt it urgent to concentrate on this single objective in the weeks ahead.

Earlier in March, owing to the need for a N.Y. based constituency for this vital subject, we concentrated on a SPECIAL REPORT to all N.Y. PARA residents and those active N.Y. resident P.A. employees over 50 years of age. In all, approximately 3000 former or active N.Y. resident employees received this Special Report. At the risk of being repetitive with information those recipients have already received, we will be quoting certain excerpts which will serve to bring all PARA members up to date on where we are relative to a Cost of Living Adjustment (MOPP). MOPP has been adopted as the "buzz word" for all members of the Alliance of Public Retiree Organizations (now over 500,000 strong) and it is referred to as such in the respective Legislative bills. The MOPP identification is intended to distinguish the current bills from past proposed COLA bills which unfortunately had a negative connotation in some legislative quarters.

Regrettably, some of the material will be dated by the time it reaches many of you but it will serve to up-date you as we go to press. The pace of the MOPP activities has been such that we could not have provided this up-date if we waited much longer given the printing, publication and mailing timetables for this issue.

"In the current N.Y. Legislative session, the MOPP bill has been re-introduced in the Senate as S5878C and we have an identical companion bill in the Assembly A9699A. Both bills have numerous co-sponsors to date."

"This is a major break-through! For the first time we have companion bills of our own in each House and do not have to vie with other organizations for support. Thirty Three (33) public retiree organizations representing over 500,000 members support these bills. In prior years there were many conflicting, competing COLA bills introduced in one House and not the other and unfortunately never

went anywhere. This session it's different!"

In an all out effort to draw attention to these bills, rallies were organized by the Alliance (of which PARA is a charter member) and the Retired Public Employees Association in 12 cities throughout the State during April. The rally locations were: Binghamton, Poughkeepsie, Manhattan, Queens, Tarrytown, Albany, Syracuse, Williamsville, Rochester, Utica, Patchogue and Mineola. The purpose of the rallies was to kick-off a campaign of visits and letters to Legislators. Generally, the rallies included a welcome talk by the local Alliance representative as well as introduction of key officials and union leadership. "Rally around the Flag" speeches were given after which there were questions and instructions on Legislator contact procedures. All attendees, while there, were requested to write personal letters to Governor Cuomo, Senate President Pro-Term Ralph J. Marino and Assembly Speaker Sheldon Silver. Form letter samples were provided and completed letters collected and hand carried to Albany. Over 1000 letters were hand delivered to the addressees on May 4!

As we go to press, a State-wide Convention to publicize MOPP will take place on May 11 at Empire State Plaza Convention Hall in Albany. (N.Y. PARA members were advised in the Special Report in April and many are planning to attend.)

Over 50 buses were arranged by groups participating in the respective rallies and many PARA members signed-up. Van pools and car pools were also organized. Approximately 10,000 retiree group attendees, are expected. Retiree representatives will address the attendees, invited Legislators and dignitaries. The Governor, Legislators and representatives of active employee unions have been invited to appear and/or address the attendees. We expect that this mass turn-out should convey to the Governor and Legislators, both verbally and by our presence, that we are united and serious in our efforts to secure an increase in our ever dwindling pension allowance. Thirty One (31) news media including cable and regular T.V. have been notified to cover the event.

Following the convention, scheduled to end about 2:00 PM, there will be personal visitations to each Legislator in the State Office Building to push the cause. While PARA's N.Y. membership was informed via the Special Report of the urgent need to write their legislators to ask their support for S5878C/A9699A, it is still not too late for anyone to do so. The Legislature will be in session until early

(continued, page 2)

MAINTENANCE OF PURCHASING POWER UPDATE (MOPP) (continued)

July, depending on their budget discussions, and our mission is to get the bills out of Committee and on the floor for a vote in June.

"Even if you've never spoken with or written to a Legislator before ... or even if you're not sure you're in the same political party, you can still tell your story to your State Legislator. When you write, your letter should be brief and to the point. If you wish, the following is a model form letter to be used as a guide. If you don't know who your representatives are, call your local Board of Elections or League of Women Voters who will be glad to help you."

Your address
Date

Dear _____:

I am writing to ask you to support S5878C/A9699A, the maintenance of purchasing power (MOPP bill).

I retired in (year) and since then inflation has reduced the purchasing power

of my pension. Inflation has caused a rise in the cost of everything I need to live comfortably... food, medicine, housing, health care.

The MOPP bill is a responsible solution to my problem and the problems faced by all the other New York State public retirees who worked so diligently for the citizens of this state. We rely on our pensions to help us live, but as longer we live, the less we will receive in real money because of inflation.

I also ask that you give careful consideration this year to improving the pension supplementation program.

Please let me know your position on these issues. Many thanks.

Sincerely,
(Your name)

Remember, constituent letters to district Legislators are an important factor in how a Legislator votes. If you are not a N.Y. resident and know someone who is, ask them to send a letter to their elected representative to support MOPP. Every letter helps! It's never too late!

"It's never too late to be kind, for we never know how soon it will be too late."

HAL MILLEY - THANK YOU!

Less than a decade ago, Hal Milley and eight of his fellow PA retirees conceived of and launched the Port Authority Retirees' Association. Eight years and thousands of telephone calls and letters later, we have a financially stable, 5,000 person-organization which stands ready to battle for the rights and needs of present and future PA retirees. Hal, we thank you!

Hal recently passed the responsibilities of the Presidency on to Al Rubbert, at which time the Board of Directors elected him to the newly created post of Chairman. This change was motivated by Hal's belief that an expansion of the Board of Directors and a New York base were essential if we are to succeed in our Albany efforts to obtain increased retiree benefits. Many of you will hopefully recognize the new slate of officers and the additional Board members and the experience and expertise they bring to the table. They are pledged to continue to carry the torch on your behalf in Albany and on national issues affecting all of us.

But this article is about Hal Milley. Not only did he willingly give his time to the organizational and administrative details of making us grow, he personally laid the foundation for our legislative program in Albany (roundtrip Albany - Tom's River - 500 miles). He fought for supplemental benefits legislation and worked with others on the quest for a legislated annual Cost of Living Adjustment (COLA).

Together with a few other public retiree visionaries, he played a key role in the formation of the Alliance of Public Retiree Organizations in New York. "APRO" now has a membership of 33 public retiree organizations, representing over 500,000 retirees, Hal's thought was that the unified voice of the Alliance could accomplish more for retirees than 33 separate voices arguing for disparate approaches to retiree benefits.

Hal also established linkages between PARA and the Port Authority Human Resources Department, in order that our united voice could be heard on PA policy issues affecting retirees. Throughout his presidency, he worked to connect us with the Port Service Club and other organizations of PA employees.

He personally initiated this Newsletter. At the outset he prepared all the articles himself - was writer, proofreader, editor and publisher, all in one. The amount of time spent in organizing the material, meeting with the typesetter, printer, etc. must have been enormous.

During his years as our President, Hal also gave unstintingly of his personal time for the benefit of individual PA retirees. Without staff, he attempted to answer each and every letter. When asked, and with the help of fellow Board members, he provided guidance and assistance. He has interceded for many with the Human Resources Department, the Prudential Insurance Company, Medicare, AARP, etc. The files are replete with correspondence from State and National officials acknowledging Hal's pleas relating to the plight of the retiree and "seniors" in general.

While he has given up his office as President, Hal will still be our spiritual leader in his post as Chairman of the Board. It is impossible that any one single person can fill his shoes, but your new officers promise to do their very best. Meanwhile, with your help by contacting your Albany elected officials, we will hopefully achieve Hal's dream of Maintenance of Purchasing Power legislation. We can think of no greater tribute to Hal Milley than a 100% effort to help us help ourselves. Let's do it!

NEW YORK "ON BOARD"

Our last Newsletter carried an article "New York Here We Come." In it we announced the appointment of Al Rubbert and Al Gonseth as President and Vice-President respectively effective Jan. 1, 1994. As we indicated, it is important to have a New York constituency in order to have some impact on the political process in Albany which controls all our destinies regarding pensions. Accordingly, as reported elsewhere, we have since also established a New York base as noted in our masthead. This new base is in addition to the familiar New Jersey address which

continues to provide all the support services, treasury functions and the offices of the Second Vice-President/Secretary and Treasurer for the organization. The New York address is principally devoted to our dealings with the New York Legislators and the Alliance of Public Retiree Organization.

As part of the PARA expansion plan, we have also increased the representation on the Board of Directors with New York resident P.A. retirees which in effect emulates the bi-State nature of our former employer. A review committee of the original

PARA Board considered many candidates and after appropriate approvals and acceptances, the masthead now includes the new complete list of the N.J.-N.Y. Board of Directors. The new New York PARA Board members, in addition to our New Jersey stalwarts, bring a wealth of experience and expertise to our organization which will benefit us all. We are aware that some of the new Board members are not known to each and everyone of our membership. They come from a wide spectrum of the Port Authority organization and it is virtually impossible to have known them all personally or organizationally. However, many of our readers will recognize them and are aware of the contributions they made to our former employer which helped raise it to the prestige and level of respect it enjoys today. Unfortunately, space is at a premium in this Newsletter and does not permit enumerating the credentials of each and every one. Suffice it to say, they are extremely well qualified, have agreed to serve and we are privileged to have them "on board"!

"Hardship is when we have to do without things our grandparents never heard of."

MOPPS - WHAT IS IT?

In previous Newsletters and elsewhere in this report, we have been continuously referring to MOPPS. Other than the concept of "Maintenance of Purchasing Power"... what is it really about?

The purpose of Mopp is to provide a modest cost-of-living adjustment to the pensions of retirees from New York's State and Local governments.

MOPP is fiscally sound and politically responsible.

First, it premises that State and Local Governments have a moral obligation to maintain the purchasing power of pensions to protect against the ravages of a creeping inflation that cuts pensions by half in little as ten years.

This moral obligation has been recognized and accepted by 32 other states, the federal government and 24% of private industry, including the major automobile manufacturers.

Second, MOPP is prospective. It deals with what is most likely to occur. It doesn't try to right past wrongs; it tries to prevent future pain.

When the state designed the fixed benefit system, it did so for an economic system that never existed. Pensions are paid out in constant dollars into an economy of diminishing value dollars. The consequence is that the half life of a pension in slow inflation is about ten years. Therefore, it inevitably leads the retirees to an ever decreasing standard of living for all, & for some poverty & welfare dependency.

The following is a summary of the MOPP bill which is admittedly a bit complex but we have tried to reduce it from the bureaucratic language to something we can all understand.

1. To qualify, a retiree must be retired ten years or be at least 55 years of age and must have absorbed a ten percent increase in the Consumer Price Index (CPI) since the year of retirement.

2. Beginning in April 1995, qualified retirees will receive an annual MOPP allowance equal to 90% of the increase in the CPI since December of the year in which they become qualified or December 1993, whichever comes later, multiplied by the first \$20,000 of the total of their no-option retirement allowance plus any supplemental allowance to which they are entitled.

We realize we may have tried to cram too much into this item but what it essentially means is that in the first year the maximum that would be considered for MOPPS would be \$20,000 of pension and supplement combined. Any amount up to this number of pension and supplement dollars would have the MOPPS index applied; the index being 90% of the CPI.

Example: John retired in 1975 with an annual no-option retirement allowance of \$9,600 and a supplemental allowance of \$1,488. If inflation continues at about 3% per year, John's annual MOPP allowance beginning April 1, 1995 would be: $(\$9600 + \$1488) \times (90\% \times 3\%) = \$11,088 \times (.9 \times .03) = \$11,088 \times .027 = \$299$ or about \$25 per month.

Assuming inflation remains at 3%: Beginning April 1, 1996 it would become: $(\$9600 + \$1488) \times (90\% \times 6\%) = \$11,088 \times .054 = \$599$ or about \$50 per month.

3. The CPI used to compute the MOPP allowance would be subject to a "cap" of five percentage points above the previous year.

(continued, page 4)

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 1994 through May 1995)

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.

MOPPS - WHAT IS IT? (continued)

4. The \$20,000 limit on the computation would increase at the same rate as the CPI.
5. The MOPP program would operate on a pay-as-you-go basis, and employers would be billed their share of the cost based on their payrolls.
6. A new MOPP fund would be established within each retirement system to pay MOPP allowances and collect contributions from public employers.
7. The Comptroller would be authorized to borrow money from other parts of the retirement system to meet cash flow needs, and be required to repay it with interest.
8. The bill expires on March 31, 1999 making it a temporary measure not subject to Article 7, Section 5 of the State Constitution. The logic behind the 5 year "Sunset" clause is that it should be more palatable to Legislators since they would not be signing a bill "forever" and would be more likely to approve. Approval now then gives us a foot in the door and room to negotiate further during the next five years to hopefully develop an even better COLA plan.

WATCHING WASHINGTON Sal Mirenda

While the main thrust of this Newsletter is concentrated on MOPP legislation and your participation, we thought it timely to also provide you a brief up-date on the statistics and condition of Health Reform.

Many of us had become accustomed to the daily articles and news reports of the activities of Hillary Clinton and company as they attempted to sculpt the Clinton Health Plan. While this daily barrage is no longer the case, as we go to press, it may seem as if the idea and plan are dead and buried; far from it!

We agree with others, who shared the view, that the work of that committee was meant to be a trial balloon to serve as an example of what the parameters of health care should be. It was intended to encourage others to develop their own plans and push them through the political process. That seems to be exactly what has happened. Various politicians are approaching health care from their own point of view and offering their own solutions.

To date we have the American Health Security Act, a single payer type of plan, sponsored by Senator Paul Willstone and Representative Jim Mc.Dermott, both Democrats. We also have managed competition models including the Managed Competition Act sponsored by Senator John Breaux and Representative Jim Cooper, also both Democrats. There is the Affordable Health Care Now Act introduced by Robt Michael, Republican, Illinois and the bill introduced by Sen. John Chafee, also a Republican from Rhode Island, which would force individuals to purchase health insurance and penalize those who did not. There is also the Consumer Health Security Act, introduced by Republican Senator Don Nicklas and Representative Clifford Stearns, which would replace the present employer based system with consumer tax credits. All of these are meritorious if only because they help "keep the pot boiling."

Though there are many political problems to overcome, the majority leader, Senator George Mitchell, Democrat from Maine, is attempting to push other Senate Democrats toward a consensus on health care. While presenting a series of variations on the Clinton theme, he could use that momentum to push the Senate Finance Committee into motion.

In the House, there are three committees working on three health care bills that can be presented for options to work towards consensus. From all of this, it is patently obvious the issue is still fuzzy and far from resolution.

In addition, in an effort to push health care, and which incidentally is a reversal of Administration policy, President Clinton will now support the creation of an independent Federal Agency to run Social Security. This policy reversal results from a deal between the President and Senator Moynihan, Democrat, N.Y., Chairman of the Senate Finance Committee. In exchange for the President's support, Sen. Moynihan will push heavily to get a health care bill out of the Finance Committee by the end of the month.

For once, we may win both ways... a Congress pushing for health care legislation and an independent Social Security Agency protected from the ravages of those in Washington who think that the answer to every problem is to pick apart the only secure base that many of us have in retirement. As an organization, we are on record in Washington that we support National Health Care Reform but not on the backs of senior citizens. It's not too late to let your individual support be known by writing your elected representative in Washington.

"In the good old days, Uncle Sam lived within his income.. and without most of ours."

Straight From the Shoulder

1. Once again we extend an invitation to active Port Authority staff to join PARA. To communicate the invitation this issue of the Newsletter is being sent to a target group of Port Authority employees approaching or having already reached retirement age. We believe it's important for all member of the NYSLRS to be informed on changes which impact their retirement benefits and to take an active part in protecting and shaping them. While PARA already has a large number of active staff represented, new faces increase our membership base, assist in offsetting association expenses, and garner greater recognition in Albany where the name of the game is clout.

2. Special sincere thanks to Carmen Marino, President, Port Authority Retired Police Association for sending the MOPP legislation information and the rally locations to his almost 1000 members. Many retired P.A. Police are also PARA members and we thank them for their support. We must continue to pull together if we are to make a permanent COLA a reality.

3. APRO met on 6 occasions in Albany since Nov. 1993 and PARA representatives were in attendance. PARA was also represented at all of the rallies save those in the Western Up-State locations.

4. Our "Telephone Tree" was put into action by the Calling Captains

in April to urge N.Y. resident retirees to write their respective Legislators concerning MOPP. bills. We again want to give our sincere thanks to all the Captains for their efforts and to those who responded by writing letters. We recognize it took a great deal of personal time and want you to know it is appreciated.

5. Your president was the guest speaker at the Port Service Club meeting on March 24 and appreciated the opportunity to bring the members up to date on PARA's efforts in Albany and the drive for COLA legislation.

6. Keep us posted on name and/or address changes. We are in the process of up-dating our address files and apologize for any duplications or omissions in this mailing. Also, correct names and addresses should be reported to Compensation and Benefits Division, Human Resources, Dept., 1 WTC East, N.Y., N.Y. 10048.

Employee Benefits has installed a new automated telephone system. All inquiries may now be processed through the system by calling (800) 269-4280 or PA extension (212) 435-8078. Please note, with the establishment of a toll free 800 number, collect calls will no longer be accepted by the Employee Benefits Unit.