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MEMBERSHIP RENEWAL:

Annual Membership renewal for June 1996.
- May 1997 is due. Just use the remittance slip inside and the new convenient return envelope enclosed. You can't beat it for the price!

PENSION JUSTICE UPDATE

In our last issue of the Newsletter, we reported on the status of the lawsuit by Comptroller H. Carl McCall against Governor Pataki supported by PARA and the Alliance of Public Retiree Organizations of which we are a member. To quickly review, the New York State Supreme Court had ruled in our favor regarding the payment of supplemental pension increases retroactive to September 1995. However, the Attorney General of the State of New York under direction of Governor Pataki filed an appeal of this decision. This appeal created an "automatic stay" or freeze which prevented the supplement from being paid until the court case was resolved.

Joined to the supplementation issue was the "hostage provision" in the legislation which provided that if suit were brought against the Governor, supplementation would be deferred one year until September 1996. Also included in the legislation was a provision that the Governor could raid our Pension Supplemental Reserve Fund to the tune of 230 million dollars to balance the State budget.

On December 12, 1995, after our last Newsletter, Justice Thomas W. Keegan of the Albany Supreme Court ruled in our favor on all three issues! Judge Keegan ruled that the 230 million dollar "raid" on our pension funds was unconstitutional. He ruled that the delay in supplemental pension payments that held retirees hostage if they brought suit was unconstitutional. Finally, he ruled that the remainder of the Supplementation law, which increased the base to \$12,500 on which the increased percentages were to be computed and also entitled more retirees to the benefits, could still stand despite the two unconstitutional sections!

In the interest of what we felt was good common sense and more importantly in the interests of deserving retirees, PARA and all other Alliance members implored the Governor not to appeal this lower court decision but to no avail. Instead, the Governor did appeal this decision to the Appellate Division in early January. After winding through the administrative channels, the case was argued before 5 Appellate justices in late February. During all of the legal

maneuvering, we were impressed with the Courts' knowledge of the plight of retirees and its penetrating questions regarding the issues. After the oral arguments were completed we were confident the Comptroller had made the best case for retirees.

After several weeks of deliberation, our confidence was justified! Last month, on April 4, the Appellate Division again ruled in our favor on all issues with an important caveat. Essentially the Court agreed with the lower Court that the Governor's raid on our pension funds was unconstitutional and so ruled. On the issue of supplementation, the Court walked a very fine line. It ruled that the clause in the legislation providing that a challenge to the raid on our money resulting in a delay to supplementation to September 1996 was also unconstitutional. However, in its decision, the Court ruled the inability of the State to pay the Supplement retroactive to September 1995 was not unconstitutional and ergo the supplementation should begin in September 1996. What the Court failed to take into consideration was the fact that it is our money banked for this specific purpose.

Consequently, we are now in a curious situation with both parties appealing this ruling. Comptroller McCall, with our support, has appealed to the Court of Appeals on the basis that the fund is the retirees money to be dispensed as the Comptroller sees fit. The supplement should have begun in September 1995 and we cannot accept the courts' conclusion that retirees must suffer the consequences of the Governor's cynical approach. Conversely, the Governor has also appealed the Courts decision on the unconstitutionality of his "raid" on our pension money. The Comptroller has requested an expedited hearing on the matter which, if granted, could have resulted in a decision before we went to press. On the other hand, the Governor is not interested in an expedited hearing and is prepared to ride it out over the Summer. Without both parties agreeing to an expedited hearing and with a full calendar, the Court of Appeals has agreed to hear the case in the Fall.

With all this as a back-drop, lo and behold, through the

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PENSION JUSTICE UPDATE (continued from page 1)

combined efforts of the Alliance Organization, identical bills were introduced in the New York State Assembly and Senate on April 25 providing for retroactive pension payments to September 1995! This came about as a result of several rallies and meetings with Legislators in Albany in which PARA participated, pleading the plight of retirees while the case was winding through the Court system. The Legislators listened, were impressed and reacted! There was unanimous support in the Assembly and Senate including Majority Leader Joseph Bruno, a close ally of Governor Pataki. We finally thought, with good reason, that your supplement was a done deal. However, again, at the last minute on May 6, Governor Pataki had his own bill introduced in the Senate with a "message of necessity" allowing quick passage. The Governor's bill, like ours, also provided for a pension supplement retroactive to September 1995, but it also included a provision to permit him to still raid our pension fund. Politics being what it is, the Republican majority in the Senate immediately reversed themselves from our "no strings attached" bill and as a party block signed on to the Governor's bill and passed it on May 7! Ironically, this all happened on N.Y. Senior Citizens Day when your president and other APRO members were all in Albany by the bus loads to celebrate the 75th Anniversary of our retirement system and meet with the Comptroller and thank Legislators for supporting our bill. To quote the spokesman for the Comptroller "It is an absolute outrage that the Governor and Senate continue to hold hundreds of thousands of retirees hostage to their illegal raid. There's no excuse. It's politics at its worst!" When asked, Senate Majority Leader Bruno said he introduced the Pataki bill because the Governor vowed he would veto our "no strings attached" version. This despite earlier statements that the Republicans would override the Governor's veto!

Where then does all this leave us? As we go to press the Democratic Assembly is sticking by its version of its (our) bill on the premise that the Senate bill (Pataki's) is a waste of time and paper and is just as unconstitutional the second time

around. How this impasse will be broken, if at all, we do not know. Meanwhile N.Y. State's highest tribunal, the Court of Appeals, has agreed to hear the case on the constitutionality of the first bill in the Fall after a Summer recess. Having been successful in the two lower courts, we are optimistic the highest court will also rule in our favor but as with anything there is no guarantee. If the Court does rule in our favor, there will be supplementary payments retroactive to September 1995 which will be tantamount to a full years retroactivity in a single check with monthly supplements continuing thereafter. If we are not successful in this final appeal, our view is worst case that Supplemental payments will begin in September this year.

We know this is as frustrating to all of you as it is to us and we will continue to press the Legislature and the Governor to pass and sign the Assembly (our) version of the second bill. In addition, despite the current situation, PARA, in concert with the Alliance, will continue to press for new legislation in the next session aimed at improving the percentages of Supplementation and in a two stage process include 1990 retirees the first year and 1991 in the second year.

Since it has been almost a year since our court fight began on our original bill, we are re-printing here the salient features as they pertain to many of you.

- 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:

<u>Year of Retirement</u>	<u>Old Supplemental Percentage</u>	<u>New Supplemental Percentage</u>
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

<u>Year of Retirement</u>	<u>Old Supplemental Percentage</u>	<u>New Supplemental Percentage</u>
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.

"Don't judge those who try and fail. Judge only those who fail to try."

"THOSE WHO SERVED"

It is with deep regret that we report two changes in the PARA organization owing to a death and a painful medical problem.

Sal Miranda, our long time friend and key member of the PARA family died on January 19, 1996 after a short but painful illness. Sal was an untiring worker serving Port Authority employees in retirement just as he did in his career. He was always there assisting those in need lending counsel and advice and resolving problems concerning employee benefits. As a PARA Board member, he handled literally hundreds of communications from retirees always in his quiet, professional manner. He maintained constant contact with the Compensation and Benefits Division and with his experience and expertise was responsible for many benefit improvements for retirees. Those who Sal helped in retirement can appreciate all he did for them and PARA. Sal was also the founder and author of our Newsletter item "Watching Washington," and was ever alert to trends and activities in our nation's capitol which could affect us all. He authored letters to National and State leaders on our behalf pleading the case for retirees. To those who knew him.... and those he served who didn't.... he will be truly missed.

In our May 1994 Newsletter, we reported Hal Milley had

given up the PARA presidency after forming the organization and leading it through its first 8 years of existence. At the time, Hal was appointed to the new post of Chairman where he has served the past 2 years providing guidance, insight, counsel and wisdom to your PARA Board.

It is with profound regret we announce the resignation of Hal as our President and Chairman for the past decade owing to medical reasons. However, we are happy to report his back surgery went well and he is recuperating at home with a full recovery expected so that he might better enjoy retirement, family and friends.

Hal will still be our Chairman Emeritus available for consultation and advice but will no longer serve in his former active, demanding role. Retirees cannot thank Hal enough for all he has accomplished for their benefit these past 10 years. The PARA Board and Officers pledge to continue his good work and work diligently on behalf of fellow retirees in the years ahead.

Again, Hal Milley, Thank You and Stay Well.

"The true measure of a man is not how many servants he has, but, how many people he serves."

NEW YORK STATE and LOCAL RETIREMENT SYSTEMS 75th ANNIVERSARY

This year marks the 75th Anniversary of our Pension System and a number of events have already taken place to mark the occasion. Elsewhere in this Newsletter we reported the unconscionable act of May 6th wherein Governor Pataki muddied the waters of our legislative efforts to obtain Supplementation benefit payments retroactive to September 1995. This occurred while we were present in Albany at a rally to celebrate New York Senior Citizens' Day and visit with the Comptroller for a retirement system briefing as well as lobby our respective Legislators on retiree needs. Many of the Alliance member organizations and PARA were well represented and were understandably dismayed and disappointed at the turn of events.

However, on the good news side, Comptroller McCall reported our pension system funds have grown from 58 bil-

lion dollars when he first took office in 1993 to over 77 billion dollars today. These certainly are very impressive numbers and all the Comptroller wants to do is give retirees who made N.Y. State great the financial recognition they deserve. The financial success of our retirement system funds makes it fair game for politicians for purposes other than for which the system was created. To quote the Comptroller at our meeting and which was heavily reported in the media, "George, keep your sticky fingers off our pension funds!"

On the premise that our position on supplementation will be upheld by the highest court in N.Y. State, several concerns need to be examined. These concerns are particularly for those who have been retired a longer period of time but others may be affected as well. The older retirees who deservedly stand to reap the highest benefit (albeit 30% less than we

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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 _____
 Address _____ Town _____ State _____ Zip _____

Check
 P.A. Employee
 P.A. Retiree

CHECK :

name, address, or phone number changed? Yes No

Enclosed is \$5.00 Annual Membership Dues (June 1996 through May 1997)

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.

75th ANNIVERSARY

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requested) owing to the ravages of inflation should be especially alert.

There could be some Federal Income Tax repercussions which may not have been faced previously. A lump sum check for almost a year's retroactive supplement as well as the monthly supplement thereafter could put some retirees in a higher Federal Income tax bracket. The Comptroller's Office advises that those retirees who might be affected by this eventuality and wish to change their Federal Income tax withholding, form W-4P can be obtained from their office (address at the end of this item). They can also request the form by using the automated phone system (518-474-5400) and the form will be mailed the next day. Retirees should then complete one of the boxes on the form and return it to the Comptroller's Office. Upon receipt, the Comptroller's Office will mail an acknowledgement letter which will indicate the new with-holding amount and advise retirees the

monthly check date the change will occur.

All retirees upon payment of the first regular retirement check have Federal Income tax withheld based on a filing status of "Married with 3 exemptions" as required by the Internal Revenue Service. Some of you may still be in this status and may wish to change it with a W-4P form rather than have the Federal Government hold your money with-out interest pending a refund at tax time or, worse yet, owe Federal Income tax which was not owed heretofore. Other retirees may wish to consider other options to minimize the tax bite if we are successful in court or for other reasons. In any event, to make any changes to your Federal Income tax deductions, W-4P forms can also be obtain by writing:

N.Y. State & Local Retirement Systems
Governor Smith State Office Bldg.
Albany, N.Y. 12244

A sample form is printed on page 6 for your use.

Several other helpful hints were provided at our meeting regarding information available as follows:

Pensioner Services Telephone Numbers (518) 485-7919

- Report a Change of Address
- Report a Late or Lost Check
- Status of Electronic Funds Transfer (EFT)
- Request for Direct Deposit (EFT)
- Request for Change of Beneficiary Forms
- Report the Death of a Pensioner
- Obtain Information on the Survivor's Benefit Program (Retired State Employees Only)
- Assistance with Survivor's Benefit Program Payments (Retired State Employees Only)
- Receive Answers to other Pensioner Related Problems

Pension Verification Letter (518) 474-4602

Pensioner Services "FAX NUMBER (518) 473-8190

Tax Services (518) 474-5400

- To Inquire about Federal Withholding Tax

Questions on Post Retirement (518) 474-4449

Employment (518) 474-2608

(518) 474-6920

Questions on Workers' Compensation (518) 474-4449

Offset of Accidental Disability Benefits (518) 473-8326

"Life is like riding a bicycle. You don't fall off unless you stop pedaling."