

PARA-phernalia

Your **P**ort **A**uthority **R**etirees **A**ssociation

Newsletter • Edition Number 34 • Spring 2005

In This Issue:

President's Message	2
The PARA Gallery.....	3
Chairman Emeritus Message.....	4
Letter to Governor Pataki.....	4
AARP Update.....	4
Healthcare Update	5
Who's Doing What Now.....	5
Pension Reform Report.....	6

PARA-phrases

Inspirational Thoughts

“Junk Is Something You Keep For Years And Throw Away 3 Weeks Before You Need It.”



“Don't Forget Where You Put Your PARA-phernalia.”

PA Weekly News Now Available Through E-mail

If you have a computer at home you can get the PA weekly News publication covering 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.



Elder Law/Estate Planning Notes

At our last two PARA Board Meetings, Mike Krieger, ESQ. and PARA Board Member, reported on two legal issues of potential importance to retirees and suggested that retirees should consult with their own attorneys as to how these issues may affect their own situation or those of their families. One, as reported in *The New Jersey Lawyer*, August 9, 2004, related to a unanimous decision of the New Jersey Supreme Court in the *In re Keri* case, basically endorsing the right of children who are their parent's guardian to engage in financial planning that will keep a family's assets from being drained away for nursing home costs. The case is significant because it makes clear that as long as the law permits competent persons to engage in Medicaid planning, incompetents, through their guardians, should have the same right, subject to certain legal constraints set forth in the Opinion. Two, Mike briefed the Board on the 2004 “decoupling” of the New Jersey and New York Estate Taxes from the Federal Estate Tax. Like many other states as well, New York and New Jersey did not adopt the most recent Federal Estate Tax changes. In addition to state estate taxes that may now be due, filing of state estate tax returns may be required even if a federal return is not required (due to higher federal filing thresholds being in effect). The “decoupling” operates differently in each state, so Mike advises that everyone should consult their attorney to assure proper planning to minimize or avoid a possible Estate Tax payment to the state. Those who executed wills prior to 2003 should be particularly careful to make sure that their wills are reviewed to assure that no avoidable state estate tax becomes inadvertently payable. For New Jersey residents, those who have more than \$675,000.00 of assets and for New York residents with more than \$1,000,000.00 – which could include your house – such planning would be particularly prudent.

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PARA-phernalia

Published By:

Port Authority
Retirees Association, Inc.

Correspondence:

P.O. Box 486
Roslyn Heights, NY 11577-0486

Dues:

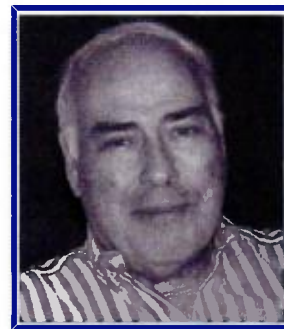
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Creative Force
90 Moonachie Ave.
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A Message From Your President



Richard Helman, *Pres.*

In the period around April 15, when we were most aware of our tax burden, we as Port Authority retirees might have considered the benefits we enjoy and accept as a matter of course. Most important is our Defined Benefit Pension Plan. Many firms are switching to Defined Contribution Plans or some variation thereof and Defined Benefit Plans may be doomed to extinction. However, the New York State Constitution should guarantee the continuation of our plan.

While modest at this point, the limited C.O.L.A. we enjoy should not be overlooked and hopefully will be increased in the future.

At our January 2005 P.A.R.A board meeting, Jack McPadden of Comptroller Hevesi's office advised us that the New York State Pension Fund, unlike a number of other state and local pension funds, is financially sound. As stated in my last message, the Comptroller, it would appear, takes his fiduciary responsibilities very seriously. Jack's remarks were too lengthy to include, but I urge you to read them at (<http://helman.net/para.htm>). On March, 16, the Comptroller who is the lead plaintiff in WorldCom Securities litigation announced that J.P. Morgan Chase Securities and certain of its affiliates have agreed to pay two billion dollars in settlement of claims asserted against them. If this settlement and earlier settlements in this case are approved by the court, the total amount recovered for the WorldCom investor class will exceed six billion dollars.

There is a move to change Social Security, but fortunately, those of us already receiving benefits appear unlikely to be affected.

We should also be thankful for the generous Health Insurance Plan, which supplements Medicare, and for our Prescription Drug Coverage. These protect against financial disaster, which can come upon us in the blink of an eye. I'm sure many of you know of cases of individuals having to go into the open market to buy coverage who experienced the equivalent of sticker shock. Many Americans are forced to make painful choices as a result of the spiraling cost of medical care and prescription drugs. Our Life Insurance Benefit, while not without cost at tax time, is comforting. Some of us were able to participate in the Port Authority's Deferred Compensation Plan and that too has helped many of us.

Finally, the rate of inflation, which was my biggest concern, has continued at a relatively modest rate at least until recently. There is some frustration in dealing with bureaucracy to obtain promised benefits, but one must persevere. Some of us have to be very careful in money matters and some are really struggling financially, but most I would hope are enjoying a satisfying and active retirement.

Having acknowledged the benefits we enjoy, for the remainder of the year I plan to concentrate on what P.A.R.A can do to preserve and enhance our benefits.

The PARA Gallery

Past & Present Photos

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.

MEMBERS

E. ALTENHEIN*
 M. ALFARANO*
 W. AMLUNG*
 G. BUCHANAN*
 F. BUHLER*
 R. CRANDALL
 A. DEBIASE*
 G. DECANCO*
 J. DEJARY
 R. DOLAN
 DOYLE*
 S. FORMAN*
 J. FRASER
 G. GRIEBEL
 C. HOLBROOK*
 S. HUIE*
 G. HUSING*
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FIELD MARSHAL

ED ROHRLACK
 1-WTC 60N3
 212-466-7278

PARTY SPIRIT
 ED MATIN
 1WTC 57w
 212-466-7156

* Retired

January 31, 1977

Hi Friends

The 1977 monthly luncheon started off with a bang on Jan. 26. As you know, the luncheon is always on the last Wednesday of each month at noon.

Those 12 that braved the cold and snow were ALFAHANO, ANLUNG, BUCHANAN, CRANDALL, DE JARY, HUIE, MATIN, MATCHULAT, MCALEER, NEARY, and last but not least, RIEMENSCHNIEDER. All came in smiling and all left very happy.

The current restaurant is the Steinway Brau-Hall at 28-24 Steinway Street in Astoria.

SPECIAL ACTIVITIES

HUSING is reported to be touring the US of A and will end up in Hawaii. DEBIASE is reportedly freezing in Florida and BUHLER can't stand Tony freezing alone, so he will join him shortly. ALFARANO rejoined the group after having a heart attack last November. He looks fine and is effervescent as usual, thanks to Mrs. A. Mike says that he still picks only good horses. Quote "It takes all the other nine horses to beat mine". McCALEER also returned after a battle in the hospital with a bit of glaucoma. HOLBROOK is off again on another tour of the Hawaiian Islands. MATCHULAT has joined the Barnegat Bay seafarers and will soon start fishing in his new boat. NEARY advised that he is moving next month northward to the better hunting grounds and will not be able to attend the next session. (What happened to the hunting grounds in the Bronx?). Riemenschneider (no capitals cause the name is long) is still looking for a buyer of his estate in Ridgefield. Any takers? AMLUNG acquired a new hobby since his retirement, making beautiful decorative wall placards of any size or shape. He would be more than happy to tell you about them. DEJARY still has not found a permanent residence since he was totally burned out last Sept.

As you see, the group is a good bunch of guys that enjoy good company and jollied, mixed with inspired conversation punctuated between gulps. It is added pleasure that lasts until the next time.

See you in February,

Ed M

Ps. Al Weeks, John Gillis and Jim Courtney advised they will attend the February group.



Pictured left to right at the Port Authority Golf Tournament on August 2, 1971 at Tammy Brook Country Club Bob Vallance, Larry Sposi, Jack Perrekti and low gross champion Jack O'Sullivan.



Pictured A couple of retirees in their younger days - Port Authority Detective Paul Plesnarski (retired) and the Air France Concorde (also retired) at the time of the jet's first flight in January 1976.

Looking Back...

While digging through the archives, we found minutes from a 1977 luncheon of the "Last Wednesday of the Month Club" and thought that our readers would enjoy this trip back in time. We hope that you will also enjoy the two snapshots (above), circa the seventies as well.



Pictured: Members of "The Older We Get... The Better We Were Club", the Newark Airport luncheon group, at their 2004 year-end meeting in December.



BY MAIL AND ON THE HORN

In the continuing battle to roadblock Governor Pataki's attempt to balance his budget on the backs of retirees, we sent the following letter to him on behalf of all of you.

Dear Governor Pataki:

On behalf of the... members of the Port Authority Retirees Association, we implore you not to tinker with the New York State and Local Retirement System funds to solve New York State fiscal problems. These funds administered by the State Comptroller are the sole possession of New York State retirees and were not established to alleviate other financial problems.

These other financial problems were not caused by retirees and they should not be asked to suffer hardship because of them. Retirees worked hard during their working years and are entitled to the fruits of their labor.

The other half million New York State retirees are watching this matter very closely and you can be sure their reaction will be reflected in November.

Very Truly Yours,

Albert Rubbert
Executive Board
Chairman Emeritus

cc: Alan Hevesi, Comptroller
Thomas Morahan, State Senator
Alexander Gromack, Assemblyman
Ryan Karben, Assemblyman
Nancy Calhoun, Assemblywoman

*“Saving Is A Very
Fine Thing
Especially When
Your Parents
Have Done It
For You.”*

In addition to those copied on our letter, we also contacted the Governor's office by telephone at (518) 474-8390 as well as State Senators at (518) 455-2800 and Assembly members at (518) 455-4100. You may wish to add your own personal telephone call in addition to PARA.

A Message From Our Chairman Emeritus

In the last PARA Newsletter I reported that my message was my swan song and my last. However, so many of you wished me well that I could not possibly personally thank each and every one of you, so I am taking this means to do so.

Thank you all so much for your support and good wishes! I will remain available to your new officers to assist in any way I can to further the efforts of PARA. It's been a great run and 14 years I will always remember.

Thanks again.

Best,

Al Rubbert

AARP Still Doesn't Get It

As soon as President Bush signed the new Medicare law (which would not have passed without AARP's endorsement), AARP's CEO was issuing press releases touting his organization's efforts to improve its prescription drug provisions.

That could be good news, except it is like "closing the barn door after the horse is out". AARP had its greatest leverage to obtain more favorable provisions *before* the bill passed. If it could not achieve better benefits then, how can it do better now?

Unfortunately, that's not the worst of it. AARP's leadership still doesn't "get it". They continue to support some of the law's misguided philosophy. For example, one of their new agenda items is "calling on the pharmaceutical industry to *voluntarily* (emphasis added) limit price increases to the rate of inflation." **Give us a break!** Do they really expect us to believe that the drug industry will voluntarily do anything to curtail their runaway profits? Even if the industry would agree to such a limit, why should we be willing to tolerate inflation on *existing* drug prices levels? Drug prices should be *lowered* through nationwide negotiation!

PARA supports removing the recently enacted prohibition on Medicare negotiating drug prices. AARP leadership doesn't get that either! They propose to "authorize the Secretary of Health and Human Services, under certain circumstances, to negotiate lower drug prices on behalf of Medicare beneficiaries in the event that competitive purchasing doesn't work to **lower prices** (emphasis added)." Of course, no recent Secretary of HHS (Republican or Democratic) has shown any inclination to control drug prices. Moreover, we know now that competitive purchasing isn't going to work because the power to negotiate has been diluted among hundreds of regional drug plans around the country. AARP must think its members were "born yesterday" even though they are all over age 50!

On the positive side, AARP now says it will advocate the legalization of the safe importation of drugs from Canada and will work to narrow the gap in funding created by the "doughnut hole", eliminate the asset test and improve coordination with state pharmaceutical programs.



MEDICARE PART D

In December 2003, the Medicare Modernization Act of 2003 (MMA), which includes a new prescription drug benefit for Medicare-eligible retirees, was passed by Congress and signed into law by the President. We recently met with the Port Authority Human Resources Department (HRD) to discuss the implications of the new Medicare Part D Prescription Drug Plan for Port Authority retirees.

HRD informed us that it is currently examining the new program that will be effective January 1, 2006. At this time, HRD strongly recommends that you do not join any Medicare Part D plan. Employee Benefits will be contacting all retirees shortly.



Tom Carver Appointed Commissioner

In November 2004, Tom Carver was appointed Commissioner of Labor by acting New Jersey Gov. Richard J. Codey. Before this appointment, Tom was President of the New Jersey Aviation Association in conjunction with his work with the Castle Consulting Group. Prior to that, he was Manager of Airport Services at Newark Liberty International Airport before leaving the Port Authority of N.Y. & N.J.

FILING CLAIMS

When submitting out-of-network health claims or prescription claims to United Healthcare:

Complete the out-of-network claim form in full and attach supporting documentation to an 8 1/2 x 11 sheet of paper.

Write the subscriber and policy numbers from your ID card on both the claim form and the supporting documentation.

Submit claims throughout the year and within 15 months of the date of service. Try not to submit a large volume of claims at year-end.

Try to use in-network health providers — save money and also time (no need to submit claim forms).

If you have any questions, please contact United Healthcare at (877) 259-1391 or Employee Benefits at (212) 435-2870.

Employees and retirees can now access certain health, dental and life insurance forms at www.panynj.gov/hrd/healthcare_forms.

MEMBERSHIP RENEWAL REMINDER

Renewal of annual membership dues for June 2004 - May 2005 are overdue. If you have already renewed your membership, ignore this reminder. If you haven't, please use the 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 _____

E-Mail _____

Please check:

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

Enclosed is \$5.00 **for overdue** annual membership dues for period June 2004 through May 2005.

Enclosed is \$5.00 **for current** 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

PENSION "REFORM" REPORT

For fiscal years 1991 through 2003, unprecedented stock market performance dramatically increased the assets of the State Pension Fund. This, in turn, had the effect of drastically reducing the pension contributions required of the State and local governments. In fact, for all but one of those years, required employer contributions to the Employees Retirement System (ERS) were less than 3% of payroll (i.e. less than the 3% contribution that most employees were required to make). Also, for seven years, employer contributions were less than 1% of payroll. It was unrealistic to assume that such extraordinary performance would continue forever! The return of bear market conditions, aggravated by the effects of 9/11 and some corporate accounting scandals, reduced the assets of the Pension Fund resulting in a return to traditional required contribution levels for the State and local governments.

Despite the obvious effects of the stock market on employer contribution levels, some government officials have been looking for "scapegoats" to distract the public. The New York State Conference on Mayors (NYCOM), in particular, has conducted press conferences across New York State blaming the "exorbitant" increase in pension contribution levels on the "outrageous giveaways" to employees and retirees in 2000, particularly the "overly-generous" COLA! NYCOM eagerly points out that the amount of the increase in pension costs is more than double the amount of General Purpose Aid provided by the State to local governments. Of course they ignore the fact that such State Aid remained virtually unchanged for a decade during one of the greatest stock market booms in history which, in turn, fueled State government revenue increases (and tax cuts)! In NYCOM's view, it is our fault that they couldn't indefinitely provide pension benefits to their employees virtually for free! Such grandstanding ignores the fact that we earned our pension benefits and that employees contribute significantly to their own pensions! In fact, during fiscal years 1991, 1995, 1999, 2000 & 2001 the total value of employee contributions actually exceeded those of the employers. So while employees contributed disproportionately to the pension fund during the boom years, the employers received all of the benefit in the form of dramatically reduced contribution rates.

In the 2003 and 2004 Legislative sessions, Comptroller Hevesi proposed, and PARA supported, reforms which effectively postponed the major effect of the increased contributions to the 2004-2005 fiscal year. The intent was to provide the State and local governments with additional time to develop plans to fund their required pension contributions. The governor had proposed an artificial cap on the amount that the contribution rate could increase year to year. Ultimately, a compromise was reached that calls for the full uncapped employer contributions to be made but allows for payment over a period of up to ten years with interest.

All retirees should have received a letter from the Comptroller on his position. SEE THE CHART!!!

Employees Retirement System (ERS)

Fiscal Year	Employer Contribution Rate As a % of Payroll
1972	20.4
1973	20.3
1974	21.3
1975	20.4
1976	19.7
1977	19.6
1978	19.8
1979	18.8
1980	18.1
1981	17
1982	15.5
1983	15.1
1984	14.4
1985	14.2
1986	10.4
1987	9.4
1988	9.7
1989	3.7
1990	3.6
1991	0.3
1992	0.4
1993	0.6
1994	0.7
1995	0.7
1996	2.2
1997	3.7
1998	1.7
1999	1.3
2000	0.9
2001	0.9
2002	1.2
2003	1.5
2004	4.5
2005	11.0

NY State Retirement Pension System

Call Toll Free:

1-866-805-0990

Follow The Prompts