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Retirees Newsletter

Professional Staff Congress

Jack Judd, Editor

I. FEBRUARY CHAPTER MEETING. The next monthly meeting of the Retirees Chapter of the PSC will be held on **Monday, February 4, 2013** at the **CUNY Center for Worker Education, 25 Broadway, 7th Floor, in rooms 7-52 and 7-53 from 1 p.m. - 3 p.m.** This change is necessary because the audio/video equipment in the PSC Union Hall is being updated. Photo ID may be necessary to enter the building.

The program for this meeting will feature a panel discussion on "Stop and Frisk."

Button from "Father's Day March" on 6/17/12. The PSC endorsed the march.

Then we will hear a brief presentation about "Quest," a continuing education program for retirees sponsored by CUNY's Center for Worker Education. (The program may be subject to change.)

The Executive Committee of the Retirees Chapter will meet earlier the same day at the PSC offices, 61 Broadway, 15th floor at 10:30 a.m. Anyone who is interested is invited to attend.

II. REPORT ON THE DECEMBER CHAPTER MEETING. We are again grateful to Joel Berger, vice-chairman of the Retirees Chapter, for this concise reportage of remarks made by our guest speaker.

Obamacare May be Good, but Single Payer is Better

At our recent meeting, Brooklyn College Professor Robert Padgug, an active member of the health policy community, first examined the changes that the Affordable Care Act ("Obamacare") will bring in the next few years, and he then advocated for significant changes in the way the health care services are delivered in this country. According to Dr.

Padgug, three issues must always be considered in debates about healthcare policy: cost, guaranteed access, and quality of care.

Dr. Padgug believes that a government-sponsored single-payer system, as currently in effect in other countries, is superior to Obamacare. Yet, given the present political environment, Dr. Padgug believes the Affordable Care Act (ACA) is probably the best policy that could have been accomplished.

The ACA plan attempts to increase the number of insured Americans. In recent years, the percentage of workers covered by employer-sponsored plans has decreased from 70% to 50%. The access question is crucial, Padgug believes, because, “you have to cover people before you worry about the costs. You can't do cost savings unless everybody is in the system."

Insurance rates have stabilized, partly because of provisions in the ACA. However, Medicaid costs are rising; and about 50% of the money going into the health care system is government money, according to Dr. Padgug. Medicaid is the government program which covers 60 million people and provides the money necessary for New York hospitals to function. According to Dr. Padgug, "If Medicaid were to disappear, there would be no hospitals, no doctors, no nothing in the health care system.” “It is not a program for the poor,” he said. “It’s a program that keeps the entire system going." More than one-third of New York's health care expenditures come from Medicaid.

President Obama's program, enacted through the ACA, is a public-private one. The private-sector part is an expansion of the health insurance industry, with more controls. The public-sector part is a large expansion of Medicaid. The Supreme Court said that states may opt out of the program, but with federal dollars available, many states may eventually accept the money.

Unfortunately, even with the expansion of coverage provided by the ACA, some 25 million people will not be able to (or not want to) take advantage of the plan. Also, the mechanisms of the ACA plan are complicated, and will leave many other people underinsured. So Obamacare is, according to Dr. Padgug, "expensive, complex, and not universal.”

The really fateful decision, as Dr. Padgug sees it, was to allow private insurance to continue at all. Insurance companies are in business to make a profit, not to assure patient wellbeing. The employer-based insurance system creates a lack of uniformity. Market competition determines what health care is available, and the ACA still relies on a market-based system.

An alternative to Obamacare would have been a nation-wide single-payer plan sponsored by the federal government with no private insurers. The federal government would be the sole payer, and billions would be saved in billing costs. H.R. 676, introduced by U.S. Rep. John Conyers, would establish such a system by expanding and improving Medicare to cover the entire U.S. population.

The ACA does allow states to adopt their own health care program as long as they provide at least the same level of service as the ACA. While ACA allows states to implement such programs by 2017, groups are urging Congress to amend the law to allow states to implement their own plans in 2014, which is when most of the ACA goes into effect. New York State could, under this provision, set up our own a single-payer system. Vermont has moved in this direction and New York could adopt such a program. So far, Governor Cuomo has shown no interest in moving in that direction.

Assemblyman Richard Gottfried, chair of the Assembly's Health Committee, has been actively promoting single-payer legislation in New York. His bill (A.7860/S.5425) would ensure comprehensive coverage for all New Yorkers, and a state-funded study found that a single-payer system could save up to $28 billion per year. According to Dr. Padgug, Gottfried's plan would be "universal, and comprehensive, and there would be no co-pays or deductibles." Funding for the Gottfried plan would be provided through a progressive, graduated payroll tax, with 80% paid by the employer, and 20% by the employee. There also might be an income tax surcharge—but there would be no insurance premiums to pay.

A campaign to achieve a single-payer program in New York will begin next year.

III. THE MUNICIPAL PUBLIC PENSION SYSTEMS. Every year, Larry Kaplan, a former chairman of the Retirees Chapter, and Warren Lewis, current chairman of the NYC Municipal Employees Association, join in preparing an analysis of the municipal public pension systems. Read it carefully.

Status of New York City's Five Public Pension Funds – FY 2012

For the Fiscal Year ending June 30, 2012 (FY12), New York City's five public pension funds paid $11.8 billion in benefits to 286,703 retirees and beneficiaries, an increase of $0.6 billion over the amount paid in FY11. (See Table 1.)

The value of the funds' net assets increased from $111.0 billion in FY11 to $111.3 billion in FY12, an increase of 0.3 %. This compares to the increase in net assets from $90.0

billion in FY10 to $111.0 in FY11, an increase of 23.3%.

The revenues of all five pension funds decreased in FY12 from $32.3 billion in FY11 to $12 billion in FY12, due mainly to the decrease in investment income.

Active contributing members in the five funds totaled 359,143 for FY12, a decrease of 6,487 active members from 365,630 in FY11.

We conclude once again that the City's pension systems are fully funded and remain in sound financial condition.

Table 1
The City of New York
Five Public Pension Funds, Fiscal Year Ending June 30, 2012

Pension Fund	Net Assets ($ Billions)	Active Members	Retirees Receiving Benefits	Benefit Payments ($ Thousands)	Revenues a/ ($ Thousands)
ERS	42.6	182,021	135,468	3,758.0	4,004.3
TRS	32.8	109,636	74,064	4,527.3	3,700.5
BERS	2.3	23,131	14,399	344.9	331.8
POLICE	25.5	33,705	45,755	2,100.5	2,831.5
FIRE	8.1	10,650	17,017	1,037.6	1,206.6
TOTAL	$111.3	359,143	286,703	$11,768.3	$12,074.7

a/ Revenue sources include members contributions, employer contributions and investment income.

Source: Excerpt from The City of New York, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2012.
John Liu, Comptroller.

L. Kaplan W. Lewis November 2012

IV. NEWS FROM SOCIAL SECURITY ADMINISTRATION.

Effective December 17, 2012, Social Security field offices nationwide will close to the public 30 minutes early each day. For example, a field office that is usually open to the public Monday through Friday from 9 a.m. - 3:30 p.m. will close daily at 3:00 p.m. **In addition**, beginning January 2, 2013, Social Security field offices will close to the public at noon every Wednesday. While agency employees will continue to work their regular hours, this shorter public window will allow them to complete face-to-face interviews and process claims work without incurring the cost of overtime.

Most Social Security services do not require a visit to a local office. Many services, including applying for retirement, disability or Medicare benefits, signing up for direct deposit, replacing a Medicare card, obtaining a proof of income letter or informing us of a change of address or telephone number are conveniently available at www.socialsecurity.gov or by dialing our toll-free number, 1-800-772-1213. People who are deaf or hard of hearing may call our TTY number, 1-800-325-0778. Many of our online services also are available in Spanish at: www.segurosocial.gov.

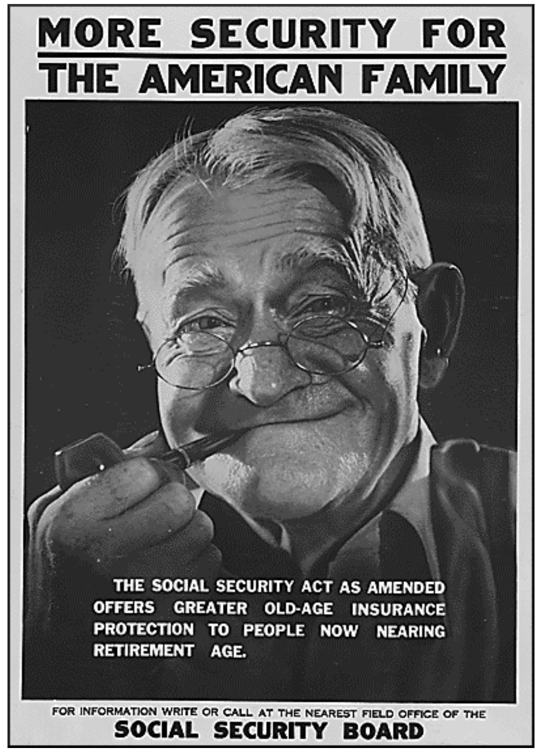
Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 62 million Americans will increase 1.7% in 2013, the Social Security Administration has announced.

The 1.7% cost-of-living adjustment (COLA) will begin with benefits that more than 56 million Social Security beneficiaries receive in January 2013. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2012.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to $113,700 from $110,100. Of the estimated 163 million workers who will pay Social Security taxes in 2013, nearly 10 million will pay higher taxes as a result of the increase in the taxable maximum.

Information about Medicare changes for 2013, when announced, will be available at www.Medicare.gov. For some beneficiaries, their Social Security increase may be partially or completely offset by increases in Medicare premiums.

The Social Security Act provides for how the COLA is calculated. To read more, please visit: www.socialsecurity.gov/cola.



Circa 1940 poster promoting Social Security.

IV. JANUARY LUNCHEON. The activities associated with the January 14 luncheon will appear in the next issue of the Newsletter.

VI. CONSUMER SAFETY TIPS.
For some helpful information on home safety tips for retirees from the Consumer Products Safety Commission, check here. [www.cpsc.gov/cpscpub/pubs/701.pdf]