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Retirees Newsletter

Professional Staff Congress

CHAIRMAN'S REPORT: JACK JUDD

I. MARCH CHAPTER MEETING – REPORT FROM THE PSC-CUNY WELFARE FUND. I begin this report with the summary, prepared by Vice-Chairman Jim Perlstein, of the remarks delivered at our March 8 meeting concerning the PSC-CUNY Welfare Fund.

The Fund is in sound financial condition. Benefit improvements are contemplated. Repeal of the $50 retiree deductible for prescription drugs is on the table for consideration by the Trustees of the Welfare Fund. The Fund has a $35 million reserve, enough to cover an entire year of expenses for all Fund members. This was reported by the Fund's Executive Director Larry Morgan at the March meeting of the PSC Retiree Chapter. He was accompanied by Associate Director Estelle Giammusso, who will retire this year after decades of extraordinary service to PSC members, and by the Fund's Communications Director, Patrick Smith.

On a cautionary note, Morgan reminded the meeting that the City's current bargaining position is that any salary gains for NYC employees in contract negotiations must be balanced by health care givebacks. And the PSC remains the only municipal union whose part-time members do not receive health care coverage from the City. Meanwhile, drug costs, despite discounts negotiated by the Fund, continue to grow.

Welfare Fund Communications Director Patrick Smith reported on the analysis of the survey of member concerns, and addressed the steps being taken to improve both the speed and ease in which members may communicate with the Fund and to receive answers to questions within a short space of time. He stressed the value of members developing comfort with the Welfare Fund website, the most efficient and comprehensive source of benefit information. The Welfare Fund's staff, of course, remains accessible by telephone.

The telephone number for the Welfare Fund is: 212-354-5230. The WEB site is psccunywf@org.

II. CHAPTER ELECTION. During the month of April, this chapter will hold its triennial election for chapter officers. Ballots are being mailed to members' home

addresses on April 5th, and must be received by 5:00 pm on April 29th.

III. SOCIAL SECUIRITY UNDER ATTACK – AGAIN.

March has turned out to be “bash the seniors and Social Security month.” Social Security has been attacked in a number of significant ways by actions emanating from the federal government, and reported in major newspapers. Here are some of the recently transpired events that may have direct impact on the future of Social Security and recipients. *The New York Times* (March 7, 2010), carried an Op-Ed piece related to the so far failed effort to provide Social Security recipients with $250 in lieu of an annual cost of living adjustment. The authors declare: “Such one-time payments are a bad idea on two fronts. First, they suggest that Social Security recipients are being treated unfairly, with respect to the program’s cost-of-living adjustments. They are not. Second, the payments would give money to those who are relatively unaffected by the financial crisis.” In other words, we are the fat cats who are doing well in these financially troubled times.
It continues: “…Retirees did all right over the last few years. Social Security checks went out on schedule…. The real burden has landed on those who have lost their jobs, so money to the unemployed would pack more punch than money to those with a steady income.” They conclude: “Even if we had a spare $14 billion, there’s no case for giving it to Social Security recipients on either equity or stimulus grounds.”

Then on March 8, the *Wall Street Journal* carried the following story under the headline: “Defaulted Loans May Haunt Seniors.” The article began:” A little-noticed law could soon result in smaller Social Security checks for hundreds of thousands of the elderly and disabled who owe the U.S. money from defaulted loans and other debts more than a decade old….The Treasury currently withholds benefits of 3.1 million Social Security recipients to recover defaulted student-farm-and-small-business loans. ”According to a most recent law, the 2008 Farm Bill “lifted the ten-year statute of limitations on the government’s ability to withhold Social Security benefits in collecting debts other than student loans—for which the statute of limitations was lifted in 1997—and income taxes, where the limit remains 10 years.” So if you ran a small business years ago and defaulted on a federal loan, you may be subject to this change in the law.

With the adoption of health care legislation, the government is once more turning its attention to entitlement programs, such as Social Security. Again turning to *The New York Times* (March 23, 2010), we find this: “Next Big Issue? Social Security Pops Up Again.” It is pointed out that, “While its looming problems are not of the scale of those afflicting Medicare, it now stands as the likeliest source of the sort of savings needed to bring the projected annual deficits to sustainable levels….”It has been already suggested by Democratic Representative Steny H. Hoyer, House Majority Leader, that the retirement age should be gradually lifted for future Social Security recipients, and he called for a reduction in benefits for those with high incomes. Add to this the President’s debt-reduction commission which has made the statement that, “everything is on the table.”

It is in such an atmosphere that the importance of being a member of the PSC Retirees Chapter becomes so apparent. Not only do we join and fight alongside our PSC colleagues to maintain our municipal and state controlled benefits, but we directly lobby to maintain our federal entitlements as well. In addition, we are members of the Alliance of Retired Americans, and its affiliates, NYSARA and NYCARA, and are also members of the Executive Committee of the Council of Municipal Retiree Organizations of the City of New York (COMRO), representing over 200,000 municipal retirees.

It is only through concerted efforts that we shall protect all our benefits.

IV. THE KAPLAN REPORT: Impact of Recession on the Poverty Rate and Middle-Income Families *by Lawrence J. Kaplan*

In 2008, according to a September 2009 report of the U.S. Bureau of the Census, the nation's poverty rate reached 13.2 percent, up from 12.5 percent in 2007. What a sad and disappointing condition for a wealthy nation such as the U.S. to report. It is estimated that the figures will reach an even higher level in the 2009 report that will be released in September 2010, due to the increased levels of unemployment reaching 10 percent. The Bureau's report further indicated that 39.8 million people in the U.S. lived below the poverty line, which is defined as an income of $22,025 for a family of four.

The figures in the report do not take into account the fact that poverty-level income may be increased by the value of food stamps, money received through tax credits, and unreported income. At the same time this increase does not reflect the rising costs of food, housing, and medical care. Nor does it take into account large regional differences in the cost of living which may have a still greater impact on those already in poverty.

While the report focuses on the rise of the poverty level, it also presents figures that impact on those in the middle-income level. In 2008, a middle-income median family income fell to $50,300, as compared with $52,200 in 2007, adjusted for inflation. This wiped out the income gains of the previous three years, the report said. This decline is another sign of both the recession and the long-term stagnation of middle-class wages.

Adjusting these figures for inflation indicates that median middle-income families suffered more from lower wages in 2008 than a decade earlier. This was a lost decade for typical Americans, who are falling behind economically.

Poverty rate figures will rise sharply in the next report, scheduled for September 2010. Because unemployment has climbed so much more in 2009, averaging 9 percent, compared with an average of 5.8 percent in 2008, the real rise in the poverty rate will occur in the 2009 figures. Figures are collected each spring for the previous year as part of the Current Population Survey. While the data may contain some flaws, similar every year, the report presents a very good measure of the trends over time.