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Professional Staff Congress
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Retirees Newsletter

Professional Staff Congress
Jack Judd, Editor

CHAIRMAN'S REPORT: JIM PERLSTEIN

I. CHAIR'S REMARKS. It seems we've gotten things all wrong. It's not the trillions spent on misbegotten wars. It's not bank bailouts. It's not subsidies for real estate speculators. Neither is it tax cuts for corporations or the super-rich. It's not deregulation. It's not the privatization of public goods.

No. It seems that we, ourselves, are the source of America's problems. We put in a working life at CUNY trying to improve educational opportunity for the people of New York City. We put in a working life at CUNY and we earned enough to raise families. We put in a working life at CUNY and managed to cover our medical bills. We put in a working life at CUNY and came away with what we hope will be a secure retirement. Can you imagine! Without question, we are among the legion of over-compensated, over-protected public sector employees responsible for bankrupting state and local government. There is no sacrifice too great to ask of people like us if we are to preserve the inequality, the lack of jobs, and the lack of prospects that assail the nation.

Bloomberg and Cuomo and Walker out there in Wisconsin have opened our eyes. Pity the downtrodden landlord and the poor, barefoot hedge fund manager. Get the public sector under control and we'll have heaven on earth.

Admittedly, sarcasm and $2.50 gets you on the subway. Let's hope that Wisconsin is the spark that ignites a prairie fire. We need jobs. We need the public sector. We need the labor movement. We need them in Wisconsin. We need them in New York. We need them across the country.

The PSC printed 1,000s of these stickers in red and white

But there's nobody out there on a white horse to drop off what we need at the door. We may have earned our pensions and our health care, but we haven't earned a seat on the sidelines. We need to fight for a just economy. There is no retirement from that fight. And it's that fight that makes democracy real. –Jim Perlstein

II. FEBRUARY CHAPTER MEETING. The Retirees Chapter heard from Larry Morgan, Executive Director of the PSC-CUNY Welfare Fund at its March 7 meeting. His remarks have been amply summarized by Joel Berger, Retirees Chapter Vice-Chairman.

PSC-CUNY Welfare Fund Faces Challenges. With the new Healthcare Reform law being implemented, the PSC-CUNY Welfare Fund faces "mandates and opportunities." A major problem, as stated by Larry Morgan, Executive Director of the Fund, is that there is no mandate for an employer "to pay more for these services." The Fund will now cover dependent children up to the age of 26, as required by the law, but the Fund will have to absorb that cost, as there are no increased contributions from CUNY. The Fund would also have to pay up to $1.5 million per year as a response to the mandate that the $10,000 annual cap on drug benefits be lifted. "There's nobody to pay for that. The employer is not stepping up to pay for it. There's no provision, no mandate that says that employers have to pay for it." Since there were no additional funds coming into the Fund, the Trustees applied for, and received, a one-year federal waiver, allowing the $10,000 cap on drug benefits to continue. Larry then described how New York City officials are looking for "cutbacks," such as higher premium co-payments and higher deductibles. The city is looking for at least $400 million in healthcare savings. The Municipal Labor Committee has consistently rejected attempts to eliminate the Part B Medicare reimbursement and the IRMAA reimbursement. "The City of New York is really pushing to remove this benefit," Larry reported. Furthermore, the Medicare Part D program is being modified so as to reduce the so-called "Doughnut hole." Subsequently, there may be an opportunity for the Fund to save some money as the Medicare Part D program is improved. The Fund is examining ways to utilize these changes most efficiently. An Employer Group Waiver Plan might serve as an equivalent to the Medicare Part D plan. The Fund might save $1 million annually on drug costs without diminishing member benefits. Morgan said, "Ways by

which we can take advantage of the new legislation" are being explored by Fund consultants and the Trustees as the law takes full effect.

For updates check the Welfare Fund Website at www.psccunywf.org.

III. SEEKING CONTINUED SPOUSAL DOMESTIC PARTNER COVERAGE UPON DEATH OPF RETIREE: As stated in the summary account of Larry Morgan's remarks, the Bloomberg administration consistently wishes to eliminate reimbursements for spousal coverage under Medicare "Part B." But there is additional bad news awaiting a surviving spouse. What currently exists under the city's administrative code is an even more draconian measure. That is, the total cessation of medical coverage, under any city provided plan, for a surviving spouse or domestic partner. The Retirees Chapter, in conjunction with its NYS affiliate, NYSUT, and as a member of COMRO, Council of Municipal Retiree Organizations of the City of New York, urge those living within the city's confines, to send messages to Domenic Recchia, Chair, City Council Finance Committee to support I-241. This authorizes the continuation of health insurance coverage for a surviving spouse, or domestic partner of a deceased retiree.

IV. OUR MEMBERSHIP: The Retirees Chapter now has over 2,500 members, and continues to grow. Urge your former colleagues, those who have retired as well as those who are on the verge, to join in our mutual endeavors to protect and improve our health benefits, Social Security and pensions.

V. PENSIONS: The *New York Times* (March 1, 2011), carried the following headline: "Pensions On the Move." The article stated that ,"Lawmakers and governors in many states, faced with huge shortfalls in employee pension funds, are turning to a strategy that a lot of private companies adopted years ago: moving workers away from guaranteed pension plans [such as a defined benefit plan] and toward 401(k)- type savings plans." We all are well aware of this trend rapidly spreading across the country.

Now let's look at a major story carried by the *Wall Street Journal*, in a Saturday edition, where readership falls off (February 19, 2011. Their headline read: "Retiring Boomers Find 401(k) Plans Fall Short." It stated: "Initially envisioned as a way for management-level people to put aside extra retirement money, the 401(k) was embraced by big companies in the 1980s as a replacement for costly pension funds. Suddenly, they were able to transfer the burden of financing employees' retirement to the employees themselves…They were a goldmine for money management firms." But, as the article continues, "a 401(k) also requires steady, significant savings." If a person does not annually contribute 12 to 15%, including an employer contribution, there will be a significant shortfall in retirement.

Part of the current work of the Retirees Chapter is to help make the active members aware of the necessity of protecting their CUNY pensions, regardless of how many years into the future it may be, before collecting such pensions. Public employee pensions must be protected.

We are repeating our request for **email addresses** from those retirees who are computer friendly, although we are aware that many have already responded. There are still more addresses we seek. When it is believed that a substantial number of addresses are in the files, we will notify everyone as to the month when we will switch to the internet. For those without email addresses, a hard copy will be sent by regular mail. Again, that will occur only at the time when it is announced. Sending the newsletter by email will substantially reduce monthly mailing costs.

If you have not already done so, please print your information on the form below. Complete it and send to:
Professional Staff Congress
Attn: Membership Department
61 Broadway, 15th floor
New York, NY 10006

First Name: __________________Middle Initial: ___ Last Name: _________________________

Address:
____

Town/city: __________________________________State and Zip: _______________________

Home Phone _________________________ Cell Phone_______________________________

College that employed you:
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Email address: _________________________________Date of retirement: _______________

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