

**Retirees Chapter  
Professional Staff Congress/CUNY  
25 West 43<sup>rd</sup> Street, 5<sup>th</sup> floor  
New York, NY 10036  
212-354-1252**

# **The Retiree Newsletter**

**February 2006**

## **I. Chairman's Report**

A. Chairmanship: I will be leaving the chairmanship as of March 1. Jack Judd, the Vice-Chair, will assume the chairmanship. Later in the Spring, there will be an election to fill the remaining year of my term. In 2007, the Chapter will elect its Chair and Executive Committee for a full three-year term.

I had decided a while ago not to seek re-election in 2007. However, it became apparent that the interests of retirees would be best served if I stepped down at this time. This will allow Jack Judd to serve in the Delegate Assembly and the monthly meeting of PSC Chapter Chairs, where he can develop the contacts with other leaders of the union that are essential to being an effective chair. Fortunately, Jack already is quite familiar with the work of the chair within the Chapter, so the transition will be smooth.

Jack is fully qualified to take on the chairmanship. He has been Vice-Chair since 2001, and he has worked closely with me throughout these years. Jack has assumed the duties of the Chair whenever I have been away. He has been the Chairman of the Program Committee of the Chapter, and much of the success of our monthly meetings depends on his work. Jack also has served with me on the Welfare Fund Advisory Council. As a long-time officer of the Welfare Fund in the past, he is as well prepared as anyone I know to represent retirees in matters concerning the Fund. It is much easier for me to leave when I know I have so capable a successor.

I will not be ending my work on behalf of retirees. I will continue, with Jack, to serve as your representatives on the Welfare Fund Advisory Council. I also will continue to represent retirees in the New York State United Teachers as President of Retiree Councils 37-38, which are principally composed of PSC members. I presently serve as Co-Chair of the statewide NYSUT Retiree Advisory Council, and I will continue with this post as well.

I want to assure you that happily my decision is not motivated by negative health or personal factors. It is a positive decision in all respects.

I also want to thank you for the support you have given me since December 2000 when I assumed the chairmanship from Larry Kaplan. I believe leaders are only effective when those they represent provide support. You have given me that support, be it in the fabulously successful post card campaign, the telephone calls and e-mails to the Chancellor, the strong attendance at demonstrations for an equitable contract, and your involvement in our monthly meetings. The Retirees Chapter has become a respected and important part of the life of the PSC. Part of that success flows from the sound foundation I inherited from my predecessor, Larry Kaplan; part is from the hard work of the Executive Committee and committees such as the TIAA-CREF Issues Committee; and part is from your support and concern, not only for the interests of retirees, but for our in-service colleagues and the future of CUNY. I am pleased to have played my part in the work of our chapter. I will give my full support to Jack and the Executive Committee as they move forward. Good health and good luck to you all.

B. Contract: The contract negotiations continue. As President Barbara Bowen reported recently, on February 16 the PSC and CUNY will meet with officials from New York City and New York State to discuss the conclusion of a contract. The PSC and CUNY had reached agreement on a "Draft Conceptual Agreement" on November 14, 2005. This draft agreement was not merely conceptual despite the name. It contained concrete items with costs and contractual language. Unfortunately, CUNY was not able to get the City and State to agree to the draft agreement. It will now become the basis for continued negotiations among all the parties on February 16. The draft agreement of November 14, 2005 was the result of good faith bargaining between the PSC and CUNY. It is incumbent on CUNY to join the PSC in winning the support of the City and State for this agreement.

C. TIAA-CREF Issues: I thank Susan Manning, the Chairwoman of the Chapter's TIAA-CREF Issues Committee, for the following: *Special Meeting of the TIAA-CREF Issues Committee, Monday, March 6, 2006*

The members of the TIAA-CREF Issues Committee have spent six years working on a variety of issues involving TIAA-CREF. We have considered getting information to TIAA-CREF retirees, and also to actives, to be one of our most important missions. At this point, as Chair of the Committee, I would like to ask all interested TIAA-CREF retirees to come to our next meeting and give us your views about the information, the service, the investments, and the "rules" of TIAA-CREF. What do you think we, or TIAA-CREF, could do to make things more understandable; or to provide better service within the complex regulations governing "Defined Contribution" retirement plans.

If you cannot make the meeting and/or have any issues you would like to let us know about, please email them to me at [susan.manning@med.nyu.edu](mailto:susan.manning@med.nyu.edu).

We will meet immediately after the Retirees Chapter Meeting in room 8301.

This preliminary discussion, which will be limited to about one hour, will be followed by a regular meeting of the Committee.

We hope to see you on March 6<sup>th</sup>.

Susan Karp Manning, Chair  
Members of the Committee

David Berger, Peter Jonas, John McGloin, Peg Ogden and Howard Reznikoff

D. Personals: Death of Sheldon (Shelly) Waxenberg. I am sorry to report the death of Shelly Waxenberg, one of the major leaders of the PSC Retirees Chapter. I thank Larry Kaplan, who worked closely with Shelly over many years, for preparing the following obituary. If you would like to honor Shelly's memory, you may contribute to a fund established by the family at John Jay College. The proceeds will be used assist students who need targeted financial aid to complete their studies. Support for students was one of Shelly's major concerns, and this fund would continue his work. Make your check payable to John Jay College Foundation/Sheldon Waxenberg Fund, and mail it to John Jay College of Criminal Justice, Attn: Tova Friedler, 899 Tenth Avenue, New York, NY 10019.

Sheldon Waxenberg, 1921-2006  
(prepared by Lawrence Kaplan)

We note with deep sorrow the passing of Professor Sheldon E. Waxenberg on January 31, 2006, following a lengthy battle with congestive heart failure.

Although we may think of him as a New Yorker, Professor Waxenberg was born and raised in Omaha, Nebraska, educated in middle American public schools, and later received a Bachelor's degree from Creighton University, also in Omaha. Following graduation, he became a Seaman Apprentice in the U.S. Navy, a Midshipman, and then an officer. During World War II and afterwards, from October 1943 to June 1946, he served on active duty aboard an Escort Carrier in the South and West Pacific.

Following the war, he continued his education at Columbia University where he earned an M.A. in mathematics and a Ph.D. in psychology. He started his professional career by conducting psychological research at Mount Sinai Hospital, Sloan-Kettering Institute for cancer research, and the New York Medical College. He taught psychology at City College and later at John Jay College of Criminal Justice where he continued for 21 years, retiring in 1991.

He subsequently became active in the PSC/CUNY Retirees Chapter, serving in a number of leadership positions. He was often a one-man Program Committee, suggesting appropriate speakers for our meetings, and making initial contacts. He served on the Membership Committee, keeping records, checking attendance, and

somehow managing in his quiet, reserved way to reach out to everyone. He served as Delegate to the PSC Delegate Assembly, attending monthly evening meetings, and reporting back to our Chapter in clear and precise detail. He attended hearings, rallies and meetings in Albany, and shared his knowledge with great insight when he returned. He became a one-man Caring Committee and kept in close contact with those who faced a problem or suffered an illness. He also arranged our Chapter Luncheons, and made certain that everything ran smoothly.

When the Council of Municipal Retiree Organizations of New York City (COMRO) was formed in 1995, Shelly became our representative and worked as diligently in that group as he did for the Retirees Chapter.

Shelly was a man of refinement, dignity, and reserve, committed to what he believed and giving unstintingly of himself for the benefit of others. He is survived by his wife, Barbara, three children, Deborah, Susan and Michael, and six grandchildren, in whose hearts he will live on, as in ours.

E. Save the Date! Monday, May 15th at 1 pm: The PSC Retirees will be hosting a borough meeting with Brooklyn College Professor Emeritus Elmer Sprague. Professor Sprague will give a slideshow presentation about Brooklyn's monuments. All are welcome. Light refreshments will be served.

Brooklyn College SUBO: 4th Floor/Marone-Leddy Lounge. More details will be in the next newsletter.

## **II. Report of the Health Issues Committee: Jack Judd**

### HEALTH CARE ISSUES

In the December issue of the NEWSLETTER, I commented that "according to economists, people seem willing to pay any amount for a drug that will help against an existing ailment from which the person suffers. Such medications could range from hundreds to thousands of dollars per dose. It is no surprise to find that the pharmaceutical companies produce what will benefit the long-term bottom line, while not being overly concerned with one shot deals." To continue that line of thought, it will be of some interest that *The Wall Street Journal* has run a series of articles on the prescription drug industry concentrating on those fields of medications which bring the highest profits.

The recently created biotechnology drug industry not only has free range in pricing its products, has almost non-existent governmental control, and appears to have a market where the consumers will pay staggering prices for a specific medication. In 2003, the industry sold \$32.7 billion in biotechnology products; for 2006, the estimate is \$68.6 billion. Biotechnology firms not only have a monopoly on a specific medication while under patent, but for years afterwards because of the nature of the medication. Each such drug must undergo a rigid process of clinical evaluations before receiving FDA

approval. In the case of the myriad prescription drugs with which we are all too familiar, once the patent has expired, the stage is set for generics. That is not the case with biotechnology drugs. Since they are so specifically made and controlled, a generic substitution would have to undergo rigid approval steps before coming to market. Since the process of creating a new biotechnology drug may run into 100's of millions of dollars, very few companies are anxious to create a generic form.

As a result, particular medications, for example the Gaucher Disease drug, Cerezyme, produced by Genzyme Corp. is marketed at a cost of \$200,000 to the patient. Erbitux, a colorectal cancer drug, costs \$114,000 for a four-month supply. The Hatch-Waxman Act of 1984 opened the door to generic drugs. Now the same two legislators are moving to introduce a new measure that would lead to generics in the biotechnology sphere. Their effort seems to be developing wide bi-partisan support. As you may assume, the leading firms in the biotechnology field are vigorously fighting this effort. Let us hope that this congress may do something right for the general public as far as drug costs are concerned.

### III. Report of Lawrence Kaplan: February 6th, 2006

#### Status of New York City's Five Public Pension Funds, Fiscal Year 2005

For Fiscal Year (FY) '05, New York City's five public pension funds paid \$8.7 billion in benefits to 258,609 retirees and beneficiaries, an increase of \$1.0 billion over the amount paid out in FY '04. See attached table. The number of retirees and beneficiaries increased by 5,799 over FY '04 when it was 252,810.

The pension funds count on annual revenues to grow. These revenue sources include member contributions, employer contributions, and investment income. For FY'05, member contributions for the five funds amounted to \$630.7 million, an increase of \$42.1 million over FY '04. Active members of the five funds for FY '05 totaled 347,575, an increase of 7,776 new hires since June 30th, 2004, when 339,799 active members contributed for their pensions.

Employer contributions increased from \$2,519.6 million in FY '04 to \$3,670.5 million in FY '05, an increase of \$1,150.9 million.

Investment income decreased \$4.6 billion in FY '05 from \$12.9 billion in FY '04 to \$8.3 billion in FY '05. This decrease is due primarily to the decline in stock values between June 30th, 2004 and June 30th, 2005. For FY '05, the return on investments for the five funds was 10.0 percent, down from 16.4 percent in FY '04.

Total revenues for the five public pension funds declined from \$16.1 billion in FY '04 to \$12.8 billion in FY '05, a decrease of \$3.3 billion, or 20.5 percent.

As of June 30th, 2005, the net worth of New York City's public pension systems was

\$90.6 billion, an increase of \$4.1 billion from June 30th, 2004 when it was \$86.5 billion.

The City's pension systems are fully funded and remain in sound financial condition.

The City of New York  
Five Public Pension Funds, Fiscal Year 2005

Pension Revenues Fund (Millions)	Net Assets (\$ Billions)	Active Members	Retirees Receiving Benefits	Benefit Payments (\$ Millions)	a/ (\$)
ERS	\$35.5	174,997	127,345	\$2,895.6	\$4,243.7
TRS	30.5	105,391	62,728	3,171.0	4,380.4
BERS	1.7	20,899	11,625	174.5	265.5
POLICE	17.2	35,049	39,452	1,624.9	2,728.3
FIRE	5.7	11,239	17,459	842.2	
<u>1,152.7</u>					
<b>TOTAL</b>	<b>\$90.6</b>	<b>347,575</b>	<b>258,609</b>	<b>\$8,708.2</b>	<b>\$12,770.6</b>

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

Source: The City of New York, Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2005. William C. Thompson, Jr., Comptroller.

PSC-CUNY Retirees Chapter - L. Kaplan  
6th, 2006

February

**IV. Speakers**

I thank Jack Judd for the following report of the speakers at our meeting of February 6, 2006.

Larry Morgan, Executive Director, and Estelle Giammusso, Associate Director, of the PSC-CUNY Welfare Fund addressed a standing-room only audience at the February 6 meeting. Their topics covered the Letter of Creditability, Survivor Benefits, and the Welfare Fund's Supplementary Coverage. Mr. Morgan began his remarks by repeating a message he had previously enunciated, and that is for Medicare eligible retirees to remain in the Welfare Fund's program of prescription drug benefits rather than to opt for one of the multiple plans being offered under "Plan D" of Medicare. He discussed the confusion that has resulted from the inauguration of "Plan D." [An editorial note: *The New York Times* had a front-page article on "Plan D" on February 6.] The situation has affected some of our retirees who received incorrect cards from HIP, and by others who received a confusing letter from the Marsh Group. The Welfare Fund is working to rectify those problems

As for the Letter of Creditability, it was pointed out that for some unknown reason, a substantial number of retirees did not receive a copy of that letter. Copies were made available at the meeting. For those who have not as yet obtained a copy, please call or write to the Welfare Fund and a copy will be provided. It is important to remember that the Letter gains importance only if and when, for some reason, a person should leave the Welfare Fund's prescription drug coverage in order to enroll in another plan.

Turning to Survivor Benefits, both Larry Morgan and Estelle Giammusso stressed that in the case of the death of an eligible retiree, the survivor must take immediate and appropriate action in order to continue coverage. The New York City Employee and Health Insurance Program, as well as the PSC-CUNY Welfare Fund must be notified. From NYC, the survivor could obtain a continuation of coverage from the prior carrier for a maximum of three years under "COBRA." The premium would be paid directly to the carrier at the same rate the employer pays, plus a 2% administrative fee.

The alternative is to purchase the package of Supplemental Coverage offered by the Welfare Fund. It includes: Prescription Drugs, Dental, Optical, Hearing Aid, and Major Medical (if applicable). The cost of the Supplemental package will vary from year to year depending upon changing costs. The fee is directly paid once a year to the Welfare Fund, and there is no time limit on coverage.

Also under discussion were the supplementary programs offered to members of the PSC-CUNY Welfare Fund: the Catastrophic Health Insurance Plan, offered through Marsh, and the Long-Term Care program, offered by John Hancock. These plans should be evaluated by the members according to their individual needs and family situations. In the course of the meeting, and even afterwards, the two administrators responded to many queries from those attending.

Important Telephone Numbers:  
Teachers Retirement System (TRS)      (888) 869-2877

TIAA	(212) 490-9000
New York City Employee and Health Retirement Insurance	
TRS	(212) 503-0470
TIAA	(212) 306-7378
PSC/CUNY Welfare Fund	(212) 354-5230

**V. Next Meeting:** The next meeting of the Retirees Chapter will be on Monday, March 6, 2006 at 1:00 PM at the CUNY Graduate Center, rooms 9204-9205. Our speakers will be Susanne Paul, President of Global Action on “Challenges of Global Aging” and Judith Rudman, Director of NYSUT Election District 52, which includes PSC’s retirees, on “The Role of Retirees in NYSUT.”

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