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# Retirees Newsletter

Professional Staff Congress

## CHAIRMAN'S REPORT: JACK JUDD

**I. DECEMBER CHAPTER MEETING.** At our Retirees Chapter meeting on December 7, a different, but interesting format was introduced. Under the guidance of Clarissa G. Weiss, PSC Director of Pension and Welfare Benefits, accompanied by Kate Pfordresher, PSC Director of Research and Public Policy, retiree participants were divided into five groups. They were assigned the task of acting as lobbying committees visiting an upstate Republican legislator in Albany.

The objective of this exercise was to acquaint the retirees with steps involved in preparation for, and actions during a lobbying activity. Each member was to introduce his/herself to each other, choose a spokesperson for the group when making a lobbying call, choose a secretary to keep notes, and to agree among themselves as to the basic issues to be presented, and what way each person would contribute to the lobbying visit. Veteran lobbyists acted as the Republican legislators. The participants were quite enthusiastic in entering this exercise. As a result, a number of retirees signed up for upcoming lobbying visits.

Upon concluding this program, Mrs. Weiss held one-on-one sessions with those retirees who had specific issues that needed to be

addressed. Other retirees adjourned to meet with the TIAA sub-committee and the retiree book group.

**II. FLORIDA CONTACT.** For those in our Florida contingent, the local Contact Person is: Etta Kutner: Telephone Number is: 561-487-2074

**III. THEATER DEVELOPMENT FUND (TDF).** From time to time, we will bring to you news of events or activities of a cultural or social nature. We begin with material provided by David Kotelchuck, a member of the Chapter's Executive Committee, and who is the Retiree member of the Welfare Fund.

**Theatre Tickets at Reduced Prices for PSC Retirees Through the Theater Development Fund (TDF)\*:** TDF membership is your ticket to the performing arts at affordable prices. Our members enjoy access to hundreds of Broadway, Off Broadway, music and dance productions each year for only \$20 to \$37 a ticket. Additionally, we've just launched a new service for our members, "Off-Off @ \$9," where dozens of Off-Off-Broadway productions are available to you for only \$9 a ticket. We invite you to see if you qualify to join the more

than 80,000 theatre lovers who get the best deals through TDF.

### **Who qualifies for TDF membership?**

To qualify for TDF membership, you must belong to one of the following groups: full-time students, full-time teachers, union members, retirees (our emphasis – PSC), civil service employees, staff members of not-for-profit organizations, performing arts professionals, members of the armed forces or clergy. When you join, you will be asked to supply TDF with proof of your eligibility.



### **How do I join?**

If you qualify, then joining is easy! Log in at [www.tdf.org](http://www.tdf.org), click on the "**Apply online now**" icon and fill out the online application. After you join, you will immediately have access to discounts of up to 70% off full-price tickets to hundreds of live productions each year.

When you join, you will be asked to pay your first year's annual fee. Normally, the annual fee is \$30.00. This fee helps TDF administer this discount ticket program and other services that support theatre going in New York. You'll find that TDF membership will pay for itself with your first ticket purchase!

### **What can I expect as a TDF member?**

As a TDF member, when you log on at the "TDF Member Login" section at [www.tdf.org](http://www.tdf.org), you will see dozens of productions available for purchase. Not every show in town becomes available to TDF members (obviously not the hit, sold-out shows)-but you'll be surprised at how many do. We are often able to obtain tickets at low cost for our members during previews, when productions are trying to build "word of mouth," or at times when their show isn't selling out at full price. Add to that dozens of Off and Off-Off Broadway productions, dance presentations and concerts, and you'll find yourself seeing more live performances than ever before!

### **Where in the theatre will I be sitting?**

Tickets for TDF members' orders are processed as "best available." This means that sometimes your tickets will be in the orchestra, sometimes in the front mezzanine and sometimes in the rear mezzanine. We rarely know in advance what ticket locations our members will be given.

### **What if I prefer to order tickets by mail?**

We do have a few members who either don't have a computer or prefer not to order tickets online. For them, we have a "Mail Only Membership" wherein they receive printed offerings approximately every six weeks. If you prefer a "Mail Only Membership," download the application from the website and mail in to TDF (Please note there are more offerings available online due to last-minute availability.)

\* Information in this article adapted from the TDF Website: [www.pdf.org](http://www.pdf.org)

### **IV: RETIREE VIGILANCE TO DEFEND PUBLIC SECTOR BENEFITS.**

Retirees should be constantly aware that our benefits are increasingly coming under attack from various quarters. The latest salvo comes by way of the Citizen's Budget Committee Report of December, 2009. Such statements, as quoted below, are reasons why we must maintain vigilance, and why it is so important to support PSC-COPE in their lobbying efforts to maintain, and enhance retiree benefits.



**The Report of the Citizen’s Budget Committee: Out of Balance: A Comparison of Public and Private Employee Benefits in New York City**

[http://www.cbccny.org/sites/default/files/REPO\\_RT\\_Survey\\_12162009.pdf](http://www.cbccny.org/sites/default/files/REPO_RT_Survey_12162009.pdf)

**Comparative Findings – Retiree Health Insurance**

1. “Offering retirees health insurance is not unusual, but is less common than offering insurance to current employees. Among the 52 local private firms, 29, or 56 percent, offer insurance to retirees. Among the national group of local governments, only 30 percent offered retirees health insurance, and within this group about one-third (9 percent) offered it only to retirees who were not yet old enough to qualify for Medicare.”

2. “The City’s policy of paying the full premium cost for retirees is highly unusual. Among the 29 local private companies offering retirees health insurance, only two paid the full premium cost. Cost sharing among the others

was substantial, with typical retiree required contributions of about \$2,950 for individual coverage and \$5,900 for couples. These amounts are the equivalent of 71 percent of the premium paid by the City of New York for single retirees and 55 percent of the premium paid by the City for retirees with family coverage.”

“Among the national group of local governments, the small subgroup who offered retiree health insurance required substantial contributions from the retirees; 31 percent required them to pay the full cost, 26 percent paid less than 80 percent of the cost, and the remainder paid between 80 and 100 percent.”

3.” Recent changes to retiree health insurance benefits are common in the local private sector. Among the 29 local private firms offering insurance to retirees, more than half (15) made changes in benefits since January 1, 2008 and another three firms planned to do so effective in 2010, bringing the total share with recent changes to 62 percent. The most common changes were new or increased co-payments, increased contributions towards premiums and limits to prescription benefits. Among the minority of local governments offering retirees health insurance, changes were less common. About 5 percent did or will drop coverage for some retirees, and about 5 percent did or will increase the required premium share to 100 percent.”

**Implications**

“The practices of local private firms and of other local governments suggest that the City of New York could continue to attract a well qualified labor force while offering less generous health and pension benefits. Specifically, if the City required from its current workers contributions toward health insurance premiums equal to the amounts paid by employees of local private firms in the survey, then the savings to taxpayers would be about \$628 million annually; if it followed the same policy with respect to retirees, then the savings would be another \$741 million annually. This suggests combined annual savings for health insurance premiums of nearly \$1.4 billion

annually from following policies competitive with the private sector.”

“With respect to pension benefits, the City could be competitive with the private sector by converting to defined contribution plans for its workers. Because the State Constitution prohibits changes in benefits for current workers, the new policies could be applicable only to future hires. The immediate savings would be small, and future savings would depend on the specifics of the plan adopted but likely would be substantial.”

#### **V. RESOLUTION ON \$50 DEDUCTIBLE.**

The following resolution, which was adopted on December 7, by the Chapter Executive Committee and endorsed at the Retirees Chapter meeting that same day, was subsequently submitted to the Welfare Fund Advisory Council at their meeting on December 18, where it was adopted. It now goes forward to the Welfare Fund Trustees for their action.

#### **Resolution from Retirees Chapter Executive Committee and Retirees Chapter**

**Whereas**, the PSC-CUNY Welfare Fund imposed on retirees, and only retirees, an annual \$50 deductible for prescription drugs in 2002,

**And, whereas**, since the application of that deductible, the PSC-CUNY Welfare Fund has received millions of dollars in unanticipated funds for retirees from new Medicare procedures related to the “Part D” drug plan,

**And, whereas** the \$50 deductible produces relatively little income for the PSC-CUNY Welfare Fund,

**Therefore, be it Resolved**, that the Retiree Chapter calls upon the PSC-CUNY Welfare Fund to rescind the \$50 deductible.

**VI. SEND US NEWS.** Please send us news of your professional activities and interests in your so-called retirement years. Happy to hear from you. Either contact me at the PSC address, or by E-Mail at: [JJUDD18@OPTONLINE.NET](mailto:JJUDD18@OPTONLINE.NET).

**VII. JANUARY LUNCHEON.** Looking forward to greeting you at the January Luncheon on January 25, at John Jay College. It’s not too late to make a reservation, simply call: Linda Slifkin at: 212-354-1252.

**VIII. THE KAPLAN REPORT.** We are fortunate in having another report on Social Security and Medicare Figures from Chairman Emeritus Larry Kaplan.

#### **Social Security and Medicare Figures for 2010**

Lawrence J. Kaplan

**Social Security:** With consumer prices down over the past year, monthly Social Security and Supplemental Security Income benefits for more than 57 million Americans will not automatically increase in 2010. This will be the first year without an automatic Cost-of-Living



(COLA) increase since adjustments went into effect in 1975. President Obama is seeking to have Congress approve a \$250 recovery payment for these 57 million Americans.

The annual surplus generated by the Social Security payroll tax runs about \$200 billion. The U.S. government “borrows” this money from the Social Security Administration. To date, the total government’s loan is over \$2 trillion.

Maximum earnings subject to the 2010 payroll tax will be \$106,800, same as 2009, because no COLA will be included in 2010. The 7.65 percent tax rate remains unchanged. See attached table, Social Security Fact Sheet.

It is important to note that Social Security faces no imminent solvency crisis, despite claims to the contrary. Social Security is safe and sound for the next 75 years.

**Medicare:** The Medicare Part B monthly premium will be \$110.50 in 2010 for new enrollees. Current enrollees remain at \$96.40 per month. The Medicare Modernization Act of 2003 added a surcharge on the Part B premiums for higher-income beneficiaries. The year 2010 is the fourth year for which the surcharge is in effect. Details are explained in the Medicare Fact Sheet attached.

The deductible for the first day in a hospital, paid by the beneficiary, will be \$1,100 in 2010, an increase of \$32 from the 2009 deductible of \$1,068. About 95 percent of Medicare’s 44 million members are enrolled in the optional Part B program. Beneficiaries will pay an additional \$275 for days 61 through 90, and \$550 for lifetime reserve days. The corresponding amounts in 2009 are \$267 and \$534 respectively.

The Part B premium by law covers 25 percent of estimated costs while government revenues cover the other 75 percent of costs.