



September 2010      Issue 1  
Academic Year 2010-2011

# Retirees Newsletter

Professional Staff Congress

## CHAIRMAN'S REPORT: JIM PERLSTEIN

**I. Jim Perlstein, Chapter Chair:** I hope you've all had an enjoyable and restorative summer, despite the heat here in the East. Many of you share with me an inability to think other than that the year still begins in September. So welcome back to the challenges that keep us young. The Retiree Chapter has engaging programs planned for every meeting of the coming year, each of them an effort to address one or more of the issues that confront us as retirees, as part of the embattled public sector, and as citizens. More than ever, we need to hang together and remain active in defense of the benefits we have earned as union members. The chapter will strive to keep you informed and, be forewarned, leave no stone unturned to keep you involved.

**II. Annual Report for Academic Year 2009-2010 (by Jack Judd, Chairman Emeritus).** Retirees Chapter's monthly meetings address "bread and butter" issues while also providing intellectually stimulating programs. The 2009-2010 academic year was no exception. We began in October with the traditional "State of the Union Address" by PSC President Barbara Bowen. She outlined the union's

concerns in the coming year: contract negotiations, community college support, the H1N1 Virus threat, the need for national health care reform, and the passage of an Employee Free Choice Act. We can readily see that a number of focused issues remain unresolved. Joining President Bowen that day was Ed Ott, formerly Executive Director of the New York City Central Labor Council, who spoke on local political concerns with a concentration on the mayoral election. Other "bread and butter" programs brought Clarissa Gilbert Weiss and Kate Pfordrescher of the PSC, to prepare our members for lobbying efforts aimed at the state and local governmental levels and focused upon university concerns. We also welcomed Larry Morgan, Executive Director of the PSC-CUNY Welfare Fund and Patrick Smith, Welfare Fund Director of Communications to explain any changes in health benefits provided to retirees by the Welfare Fund. As the months went by, the problem of contract negotiations became more acute. As a result, both President Barbara Bowen and Vice-President Steve London came before us to explore the contract issues, the catastrophic fiscal dilemma confronting New York State, and what the future may portend for CUNY. It

was not a happy picture that was presented.

There were two sessions devoted to the environment and to neighborhood changes including gentrification. The November meeting's program was labeled: "Green Jobs, Green New York, Green Planet." The speakers were Rebecca Lorry, Education Director for the Consortium for Worker Education, and John Forster, First Vice President of Local 375 of AFSCME DC 37. They, in turn, were representatives of Urban Agenda, the labor based affiliate of the New York Apollo Alliance. They stressed the need for labor to support efforts at environmental sustainability, energy efficiency, public transit, etc. Then at the May meeting we heard presentations from Tom Angotti, Professor of Urban Affairs and Planning at Hunter College, and a graduate student, Natasha Florentino, on the efforts to rezone a portion of Harlem's 125<sup>th</sup> Street corridor from low-rise to high-rise residential and commercial edifices. Miss Florentino's award winning documentary, "The Gentrification of Harlem" was shown to audience acclaim.

Gary Rhoades, Executive Secretary of the AAUP, and Manfred Phillip, the University Faculty Senate Chair, led a well attended discussion on: "Running CUNY: Running Academe: Is Shared Governance a Thing of the Past?" The trend has been toward corporatization of university administrative entities and commercialization of college level teaching and research. Such trends have made shared governance a threatened mode of operations.

In addition to our regular meetings, the Retirees Chapter holds two Luncheons during the year. The June luncheon, organized by Judith Bronfman, featured as guest speaker, Professor Josh Brown of the Graduate Center, on the topic: "Art as Political Protest." The 80 retirees in attendance thoroughly appreciated the well-organized presentation. Following

Professor Brown's PowerPoint presentation, our recently elected Chairman, Jim Perlstein, presented a plaque and gift certificate to Jack Judd for his years of service as Chairman.



Josh Brown

At our luncheon last January, on a weather-friendly day, Chairman Emeritus, Irwin Yellowitz, who, this year, received the Retiree of the Year Award from NYSUT, spoke about and presented the documentary film, "The Inheritance." The film is an encapsulated history of the struggles to organize labor in NYC in the early 20<sup>th</sup> century.

The retirees also pursued cultural and intellectual pursuits beyond the monthly meetings. In February, a number of retirees along with family members, guests, and PSC staff and members, attended a Working Theater presentation of André De Shields' one-man show, "Mine Eyes Have Seen the Glory: From Douglass to Deliverance." Those enamored with musical events attended Peoples' Symphony Concerts held at Washington Irving High School in Manhattan. Book lovers continue to enjoy the very successful Book Group which meets directly following the close of the monthly meetings. This Group proved so successful that we are encouraging our members to create new book discussion units.

There are other activities directly involved within the Chapter and with the PSC. Increasingly, the latest chapter members

opted for a pension plan other than that offered by the TRS. More and more members are in optional retirement plans, but primarily in one or another of the TIAA pension programs. There are many issues arising from the TIAA programs. As a result, we have a sub-committee on TIAA. The membership of that committee is now in flux, with a newly constituted group, headed by Howard Reznikoff, Judith Bronfman and Tom Gerson, ready for action this September.



Two issues remain unresolved at this time. There is a 'protocol' being formulated by which retirees will gain access to a CUNY email address and, with that entry, have the ability to acquire any hardware and software upon the same basis as our active brothers and sisters. Secondly, we have not been able to have removed the \$50 deductible that retirees pay for prescription drugs acquired through the Welfare Fund's program. So, we still have work to do.

Executive Committee members have a voice and serve on every major PSC committee. Just listing the PSC committees and activities provides a window into the multiple actions of the group. We have two elected members who serve on the PSC's Executive Council with full voting rights (Bill Friedheim, Eileen Moran), an appointed Welfare Fund Board of Trustee officer again with full voting rights (David Kotelchuck), and representatives on such committees as: Legislative (Eileen Moran, Mary

Jennings), Health (Fran Brewer), Grievance Officer (Steve Leberstein), Health and Safety Issues (Ezra Seltzer), PSC Alerts (Jim Perlstein), PSC and WF Web Master (Bill Friedheim). In addition, there are six delegates, and four alternates who sit in the PSC's Delegate Assembly.

There are more activities. Three retirees are on the Executive Committee of COMRO: the Council of Municipal Retiree Organizations of the City of New York. Chairman Emeritus Lawrence Kaplan, the author of the monthly economics report in the Newsletter, helped recreate COMRO into a vibrant force, and the current Chair of COMRO is John Hyland, a member of the Chapter's Executive Committee and delegate to the PSC Delegate Assembly. Jack Judd serves as keeper of the COMRO treasury. Francine Brewer is a Board member of the New York City Alliance of Retired Americans, and of NYSARA. There are also retiree representatives to the New York City Labor Council.

Then we come to lobbying activities. This has been a busy year. The NYS and NYC budget situations called for extensive lobbying by our members. Locally, it involved meetings with members of the New York City legislature, either in groups, or one on one. At the state level, members visited Albany as PSC representatives, or as part of NYSUT's Committee of 100 lobbying activities. Jack Judd joined a NYSUT delegation to lobby our representatives in Congress. A major regret was that Senator Gillibrand could not meet with the delegation that day.

It was because of the recognition for a growing need for lobbying actions, that we held a training session for lobbying during one of our monthly meetings. To attest the importance of lobbying activities, it can be happily reported that, from April through June 2010, the retirees contributed over \$13,500 to COPE, the political action arm of the PSC and of NYSUT.

We regularly keep in touch with our members through the 8 to 9 monthly issues of the Newsletter. Information related to union activities, major lobbying events, latest news concerning Social Security and Medicare are found as part of its content, along with cultural and intellectual notices. Whenever there is a change in Welfare Fund benefits affecting retirees, there appears a column written by Patrick Smith, the WF's Director of Communications. Aiding the Retirees Chapter is Linda Slifkin, who handles all the secretarial work at the PSC office for the chapter; Clarissa Gilbert Weiss, Director of Pension and Welfare Benefits, who is always there with advice and guidance; and Diana Rosato, an unsung PSC administrator who has been invaluable on many occasions. A special thanks should be given to Chairman Emeritus Lawrence Kaplan who has provided us with outstanding economic reports for many years.

There are ten retiree members who serve as elected members of the PSC's Delegate Assembly: The Delegates are: Joel Berger, John Hyland, David Kotelchuck, Cecelia McCall, Ezra Seltzer, and leading the delegation is Jim Perlstein, our newly elected Chairman. The Alternates are: Miriam Balmuth, Peter Jonas. Steve Leberstein, Bob Wurman.

It has been an interesting and very busy year.

### **III. Calendar of Meetings and Tentative Speakers for 2010-2011:**



#### **October 4:**

Barbara Bowen: State of the Union and Ed Ott: Working People and the 2010 Elections

#### **November 1:**

Clarissa G. Weiss: Retiree Benefits Under TRS and TIAA.

Irwin Yellowitz: NYSUT Video of his being awarded Retiree of the Year and Commentary

#### **December 6:**

Frances Fox Piven: The Great Socialist Subversion: Challenging Authority

**January:** Luncheon Date TBA

**February 7:** James Parrot (Fiscal Policy Institute): The Future of Public Services

**March 7:** Larry Morgan and Patrick Smith: The Welfare Fund

**April 4:** Ellen Shrecker: Academic Freedom

**May 2:** John Bloom: Workers Defense League

**June:** Luncheon Date TBA

#### **IV. Get Welfare Fund Benefits News via E-mail**

The Welfare Fund is inviting members to join an e-mail notification list to receive word anytime significant changes are made to the Fund benefits program. Members who want to be included can provide an e-mail address by following the link to the sign-up form on the home page at [pscunywf.org](http://pscunywf.org).

As new health care regulations affecting Welfare Fund benefits are implemented, e-mail announcements will allow the Fund to inform members on a more timely basis and will reduce mailing and publication costs. All e-mail addresses will remain confidential.

**V. John Bloom, of the Workers Defense League**, and our speaker at the May 2, 2011 meeting, wishes to bring to your attention this message.

“ I wanted to alert you to our 8-week course on Unemployment Insurance representation, which we plan to offer (for the second year in a row) from September 30, 2010-November 18, 2010. It will meet eight Thursday mornings, 10 am-noon, here at our office at 220 East 23rd Street, plus visits to the UI court to observe actual hearings. Perhaps some PSC retirees might be interested? Retired union activists are ideal students for this course. We will probably charge a nominal fee, on a sliding scale. The training also can lead to certification by NY State as a UI "registered representative," entitled to represent claimants and charge fees.”

**VI. Impact of Social Security Cuts on Retiree Income.** We bring to you a timely and very important message regarding **SOCIAL SECURITY** from the Center for Policy and Economic Research: The Impact of Social Security Cuts on Retiree Income

Dean Baker and David Rosnick - July 2010.

Executive Summary

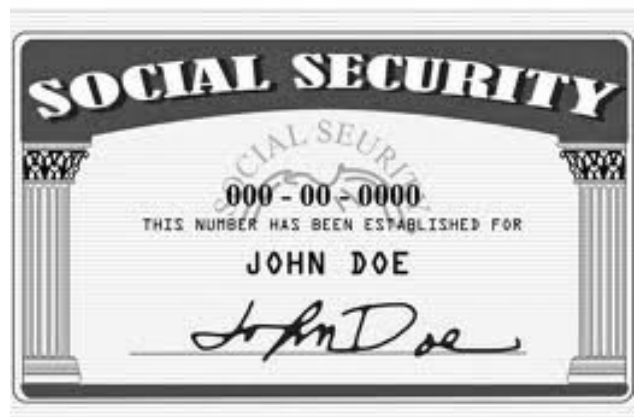
There has been a serious push in policy circles to cut Social Security benefits for near- and/or current retirees. The argument for such cuts has been based on the deficits in the federal budget; the finances of the Social Security program have been at most a secondary consideration. However, the finances of the current or near-retirees who would be affected by these cuts have also largely been ignored in this discussion. This is striking because this group has been hardest hit by the collapse of the housing bubble and the resulting plunge in stock prices. These workers had accumulated some wealth – mostly in the form of home equity – which they stood to lose as a result

of the crisis. Since they are at or near retirement age, they will have little opportunity to replace their lost wealth. This paper assesses the cuts implied by three common proposals for reducing Social Security benefits:

- 1) Adopting a “progressive price” indexation (PPI) formula for the basic benefit structure,
- 2) Accelerating and extending the increase in the normal retirement age, and
- 3) Reducing the annual cost-of-living adjustment.

Since the vast majority of near-retirees will rely on Social Security for the vast majority of their income in retirement, cuts in Social Security imply large cuts in income for a population that is already not especially wealthy. (Median household income for people over age 65 is less than \$30,000). Ironically, the drive for these cuts is being driven by budget problems resulting from the collapse of the housing bubble. This is a disaster for which older workers were the primary victims, since they lost the most equity in their homes.

It is important that any proposals for cutting Social Security benefits examine the impact on the affected workers. This analysis suggests that the cuts most commonly being considered will have a substantial negative impact on low- and middle-income families.



Conclusion: This paper examines some of the frequently suggested routes for cutting Social Security and projects their impact for near-retirees at various points along the income distribution. One fact that is apparent in all of the projections is that any substantial cuts to Social Security will inevitably have a large impact on households who are far from any reasonable definition of affluent.

The reason for this is that Social Security benefits are relatively equally distributed across the retiree population. Since the number of genuinely affluent elderly is small, reducing or even eliminating their benefits produces only small savings for the government. In order to generate any substantial amount of savings, it is necessary to widen the group of people being targeted to middle-income retirees.

Cutting benefits for these retirees is likely to be especially painful for the age cohorts who are now approaching retirement. The vast majority of older workers do not have traditional defined benefit pensions. Most had not accumulated much in defined contribution plans before the recession and they lost much of what they did accumulate in the stock market plunge. Even more importantly, these older cohorts lost much of their housing equity with the collapse of the housing bubble. As a result, many middle-class homeowners among these cohorts can expect that they still will be paying off a mortgage long after they have retired.

If Congress is seriously considering cuts in Social Security benefits for these age cohorts, legislators must recognize and understand the financial condition of current and near-retirees in the wake of the

housing crash. Thus far this issue has received very little attention.

The complete 15-page report may be obtained from the Center for Policy and Economic Research.

**VII. A Message from Chairman Emeritus Lawrence J. Kaplan:** “To everything there is a season, and a time to every purpose under heaven.” Ecclesiastes 3:1.

Every season brings a change and for me the time of change is now.

Instead of writing monthly reports for our Retirees Chapter, I'll submit an occasional report on a crucial issue.

While the new season will bring change for me, the goal for our chapter remains constant: to stay informed, to make our voices heard, and to protect Social Security, Medicare, and the pensions that we have earned during our working years.

Finally, I joined the chapter in 1986 when I retired, and I look forward to continuing my membership.

VI. **Editor's Note:** With the culmination of the monthly economic reports presented by Lawrence Kaplan, the Newsletter is now soliciting essays, reports, reportage, etc. pertaining to the interests of our Chapter members. Contact me, Jack Judd, at [JJUDD18@optonline.net](mailto:JJUDD18@optonline.net). Or, through the PSC office at 61 Broadway, 15<sup>th</sup> floor, New York, NY 10006.