



Sept. 09 Issue 1  
Academic Year 2009-2010

# Retirees Newsletter

Professional Staff Congress

## CHAIRMAN'S REPORT: JACK JUDD

**AN OVERVIEW OF OUR WORK:** The Retirees Chapter maintains a proactive schedule throughout the year. The Executive Committee and the general membership meet monthly, from October through June. Our Executive Committee meetings are open to any PSC retirees desirous of attending.

Chapter meetings draw audiences ranging from 45 to 120 members. During the year, we regularly have presentations from President Barbara Bowen, or Vice-President Steve London, on the 'State of the Union.' In addition, we hear from Clarissa G. Weiss, on Pensions and Welfare Benefits, and from Larry Morgan and Estelle Giammusso on Health and Welfare Benefits under the Welfare Fund.

### Guest Speakers

Our guest speakers this year included, Bill Tabb, Professor Emeritus at Queens College, who offered us the perspective of a political economist on the current economic collapse; Ed Ott, Executive Director of the Central Labor Council,

provided an analysis of organized labor's role in the national elections; and Peter Marcuse, formerly chair of the graduate program in planning at Columbia University, who offered his views on the current mortgages and housing problems confronting the nation. The Chapter sought to sponsor a debate between the two candidates for the presidency of the PSC at our March meeting, but were thwarted by an unexpected disruption.

In this year of turmoil in the national and international monetary systems, we sought to keep retirees under TRS and optional retirement plans primarily abreast of the changing conditions along with what choices were before them in seeking to cope with the rapid decline in value of their retiree portfolios.

### Member Luncheons

In addition, we held two luncheons, one in January and one in June. The luncheons have drawn more than 130 participants. At the January luncheon our members were regaled by a PowerPoint presentation, accompanied

by live music, relating to some of the activities of the legendary folk singer, Woody Guthrie. Our June luncheon found close to one hundred retirees gathered at John Jay College for Criminal Justice. We heard greetings from Arthurine DeSola, PSC Treasurer, and a report from Larry Morgan, Executive Director of the Welfare Fund, on changes agreed to between the Municipal Labor Committee and the City administration. Some retirees under the HIP program may be affected by the changes. For further details contact the Welfare Fund directly at 212-354-5230, or through their website ([www.pscunywf.org](http://www.pscunywf.org)). Our Chapter, in the ensuing year, will seek to reinstitute an active TIAA committee to meet regularly in order to assist those under TIAA-CREF who are burdened with myriad problems within that retiree pension system.

This chapter publishes a monthly Newsletter which has received praise from our members for the coverage of important information relative to retiree interests. The Newsletter is comprehensive and always seeks to respond to the needs of our constituents. I, as editor, constantly look for interesting material provided by our members.

### **Cultural Affairs**

Not neglecting cultural affairs and activities, the chapter launched what has turned out to be a very successful book group. The possibility of establishing other groups in locations outside the city's limits has not been fruitful. During the year, many of us attended an off-Broadway theater performance on the theme of non-unionized household help. We look

forward to future cultural events open to all PSC members.

Active in union activities, our retirees serve on every major PSC Committee (see list below). We have two elected representatives on the PSC Executive Council. The two incumbents, Jim Perlstein and Peter Jonas, decided to step down from those positions and to not run for re-election. The two recently elected Executive Council members are William Friedheim and Eileen Moran. David Kotelchuck serves as a Welfare Fund Trustee, and Chairman Emeritus Irwin Yellowitz sits on the Welfare Fund Council. As a group, we attend rallies, sign and collect postcards, and provide telephoning when called upon. We were extremely active during the presidential election campaign.

### **Touching Base**

Over the years, it has sometimes been difficult to keep in personal contact with our members. Our affiliate, the United Federation of Teachers, instituted a program whereby each retiree is periodically reached by telephone in an effort to simply touch base. We are beginning to plan for such an activity as well. If you have any suggestions as to how to initiate and expedite such a program, please contact me at [JJUDD18@OPTONLINE.NET](mailto:JJUDD18@OPTONLINE.NET), or through the PSC office.

Within our New York State United Teachers (NYSUT) affiliate, we are the major higher education components of Election Council 37 and 38. Through those two councils, we also comprise a major part of the higher education group for Election District 52 of NYSUT. During the past year, some members attended an ED 52 meeting in Albany, and the NYSUT Representative

Assembly in Buffalo. Again, in partnership with NYSUT, and as a component of the Committee of 100, we engaged in combined lobbying activities.

Through our own efforts, within the chapter, we contributed over \$10,000 to COPE. Our members, who currently number over 2,400, perhaps, more than the actives, recognize the necessity of lobbying our legislative representatives.

We are also participating members of the Council of Municipal Retiree Organizations of the City of New York (COMRO). Four of us serve on the Executive Council of COMRO, and our own John Hyland is the current Chairman. It is that Council that acquired, after years of lobbying with affiliated organizations, the enactment of legislation providing for the 100% reimbursement of Medicare Part “B”

payments to municipal employees by the City, and for an annual COLA. COMRO continues to seek an enhancement of the COLA component of municipal retiree pensions

Members serve on the New York Central Labor Council, concerned with labor issues pertaining to NYC. We have representation on the Alliance for Retired Americans, and with New York State and City affiliates, NYSARA and NYCARA. This chapter was a founding member of Rekindling Reform, a leading voice in the movement to bring about a national health care system. Our members also serve in the NYSAAUP.

All told, members of the Retirees Chapter have spent a very interesting and fruitful year.

#### Executive Committee Members and Their Many Governance Roles:

Miriam Balmuth	Alternate to PSC Delegate Assembly
Joel Berger	Delegate to PSC Delegate Assembly
Francine Brewer	Officer-at-Large, NYC Alliance for Retired Americans and NYSARA
Judith Bronfman	Officer-at-Large, Luncheon Coordinator
Jack Donoghue	Alternate Delegate
William Friedheim	PSC Executive Council, PSC Webmaster
Mary Bryce-Jennings	Chapter Secretary
Peter Jonas	Chair of PSC Pension Committee
Jacob Judd	Chapter Chairman, Delegate to PSC DA
Lawrence Kaplan	Chairman Emeritus
Martin Kaplan	Officer-at-Large, AAUP Representative
David Kotelchuck	Delegate to DA, Welfare Fund Trustee
Steven Leberstein	Alternate Delegate, Chair Cultural Affairs
Eileen Moran	PSC Executive Council, Chair PSC Legislative Committee
James Perlstein	Chapter Vice-Chair, Chair Program Committee
Ezra Seltzer	Delegate to PSC DA, Health and Safety
Robert Wurman	Alternate Delegate, Health and Safety
Irwin Yellowitz	Chairman Emeritus, WF Advisory Council, Chairman NYSUT Councils 37 and 38

**RETIREES CHAPTER: MEETING  
DATES & PRESENTATIONS 2009-10**



**October 5:** Barbara Bowen: “The State of the Union” and Ed Ott: “Labor and the Upcoming Elections”

**November 2:** Joanne Derwin, Executive Director, Urban Agenda: “Environmental Sustainability For A Green New York”

**December 7:** Clarissa Gilbert Weiss: Pensions and Welfare and

Lobbying: City Council and NYS Legislature

**January 25:** LUNCHEON: Film: “The Inheritance”

**February 8:** Professor Gary Rhoades: “Faculty Governance”: (Panel Discussion) This Session will be open to all PSC members

**March 8:** Larry Morgan: The Welfare Fund

**April 12:** Professor Phil Alcabes: Epidemiology

**May 3:** Professor Tom Angotti: Harlem Architecture and Gentrification

**June 21:** LUNCHEON: Professor Josh Brown: “Art As Political Protest”

**HOW TO GET YOUR MEDICARE  
PART B PREMIUM REIMBURSEMENT**

**by Patrick Smith, Public Relations  
Officer, PSC/CUNY Welfare Fund**

You may be aware that Medicare Part B helps cover medical costs like doctors’ bills, outpatient care and other medical services that Part A doesn’t cover. You probably also know that, unlike Part A, Part B comes at a monthly premium payment—this year it’s \$96.40, if your annual declared income is \$85,000 or under (or \$170,000, if married and filing your taxes jointly). If your income is higher, your Part B premiums are higher, too. (More on that below.) If you are receiving a Social Security check, the premium for Medicare Part B will be

deducted from that check monthly. If you are not receiving a Social Security check, you will be billed on a quarterly basis by the Social Security Administration. The City will reimburse retirees living in the U.S. and their eligible dependents for a portion of the monthly premium for Medicare Part B, but depending on your pension plan, it can be a little complicated to apply to get the money back.

**TRS and NYCERS Members:** To apply for Part B premium reimbursement if you are a member of the Teachers’ Retirement System (TRS) or the NYC Employees’ Retirement System

(NYCERS), you must be receiving a City pension check and be enrolled as the contract holder for City health benefits. *As soon as you receive a Medicare card, you must notify the NYC Health Benefits Program in writing and include a copy of your card (and/or your dependent's card) showing the Part A and Part B effective dates.* Write to NYC Health Benefits Program, 40 Rector Street, 3rd floor, New York, NY, 10006. Once the Health Benefits Program is notified you will be enrolled in the reimbursement plan.

**TIAA-CREF Members:** Retirees in the TIAA-CREF pension plan, and their eligible dependents, have a different hoop to jump through to be reimbursed for Part B, though the eligibility rules are similar to those for TRS and NYCERS members: you must be receiving a TIAA-CREF annuity check and be enrolled in the NYC Health Benefits Program as the contract holder. To apply for Part B reimbursement, TIAA-CREF retirees must submit a *TIAA-CREF Medicare-Eligible Retirees Application for Part B Premium Reimbursement*, available from your College Human Resources Office. (You can also get the application from the PSC-CUNY Welfare Fund website, [psccunywf.org](http://psccunywf.org), on the New Retirees FAQs page (if online, click [here](#).) Complete and send the application to the University Benefits Office, 535 East 80th Street, New York, NY 10021. *You must include copies of your basic health insurance card (i.e., GHI, HIP, etc.) and Medicare cards for yourself and eligible dependents.*

**When Do You Get the Money?:** Not right away. Medicare Part B reimbursement checks are processed in the year following your retirement, and are issued each August for the prior calendar year. The application approval

process may take six months or more depending on the application submission date.



**Reimbursement for Higher-Income Beneficiaries:** Since 2007, Medicare members whose taxable income exceeds a certain threshold have been charged more than the standard Part B monthly premium, in accordance with a surcharge schedule. The acronym for that extra charge is IRMAA, which stands for Income Related Medicare Additional Amount. This year the income threshold is \$85,000 for individuals and \$170,000 for couples filing joint tax returns. [For online story version: A chart showing the surcharge schedule is available online [here](#).]

The NYC Health Benefits Program will reimburse the amount of the IRMAA increase, but to claim it you are required to document the amount paid in excess of the standard premium. Here's where the process gets a bit complex. The required documents are:

- A copy of your, and/or your eligible dependent's, Social Security Administration (SSA) statement showing the IRMAA increase for calendar year 2007.
- A copy of your, and/or your eligible dependent's, Form SSA-1099 issued by the SSA *at the end* of calendar year 2007, as proof of the monthly Medicare

Part B premium actually paid for calendar year 2007.

You must include your name and social security number on your eligible dependent's documents. Submit copies of these documents to NYC Health Benefits Program, 40 Rector Street, 3rd floor, New York, NY, 10006. The processing of IRMAA reimbursements will take approximately four months.

*Do you have other questions about your retiree benefits? Where to get plan applications? How to file claim forms? You can e-mail your questions to the PSC-CUNY Welfare Fund at this address: [Communications@psccunywf.org](mailto:Communications@psccunywf.org), or call 212-354-5230.*

## THE KAPLAN REPORT

Chairman Emeritus Lawrence K. Kaplan's Economic Report is always of the greatest interest.

### Critical Economic Problems and the Road to Recovery

Lawrence J. Kaplan

Many people are wondering whether the current recession which began at the close of 2007 is worsening or whether we have already hit bottom. The goal is to see a rebound and a return to normalcy. However, to start on the road to recovery, President Obama and his administration must first resolve several critical economic problems.

**Low Consumer Spending:** At the top of the list is low consumer spending. After several years of spending nearly every dollar of disposable income, people are now cutting back. Economists say consumption will be slow to recover because debt-ridden Americans are saving more or paying down debt. The savings rate was 2.9 percent for the fourth quarter of 2008, rising from almost zero.

In our economy, in which 70 percent of economic activity is derived from consumer spending, Americans must begin spending again. President Obama is right on track by achieving legislative approval of the American

Recovery and Reinvestment Act of 2009 (ARRA). The primary goal of this \$787 billion appropriation is stimulation of consumer spending.

The programs of ARRA will move funds into the hands of consumers who hopefully will begin spending, thus stimulating economic expansion, the first step in the move toward economic recovery.



**High Unemployment:** Currently, over 12,500,000 Americans are unemployed. More jobs have been lost in this recession than in any period since 1974, and jobs are

disappearing at the rate of over 600,000 per month. In key industries, manufacturing, financial services and retail businesses, layoffs have accelerated so quickly in recent months as to suggest that entire areas of business are being abandoned. The economic recovery will have fewer stores, fewer factories, and fewer financial services operating. The government hopes to retrain workers for other careers. The stimulus package includes \$4.5 billion for job training.



**Growing Foreclosures and Declining Home Prices:** Early in March 2009, the Obama administration set incentives to lenders to reduce monthly mortgage payments and to lower interest rates on home mortgages, at a cost to taxpayers of about \$75 billion. Administration officials said that the program could benefit as many as five million homeowners. The goal is to reduce monthly payments to an affordable range, about 31 to 38 percent of a borrower's monthly income. Borrowers can apply for loan modifications until the end of 2012.

Reducing the rate of foreclosures will help to stabilize home prices and save neighborhoods in which foreclosures occur

**Troubled Banks and Frozen Credit:** The balance sheets of the nation's banks have hundreds of dollars in toxic assets, assets derived mainly from subprime mortgages but including prime mortgages as well. Unable to obtain a realistic value of these assets, bank loan officers lack sufficient capital for making loans. Without credit, businesses and consumers are unable to function effectively.

The U.S. Treasury Department is planning to buy as much as \$1 trillion to buy toxic assets that the banks would like to sell. The Federal Deposit Insurance Corporation (FDIC) is setting up Public-Private Investment Funds (PPIFs) that will seek to attract private investors, such as hedge funds and private equity funds, to join the Funds. The government will provide the bulk of the money through loans or direct investment. This joint public-private process will provide sufficient capital to banks so that they will be able to create business loans and consumer loans. This new program should strengthen banks, thus stimulating the economy.

**Shrinking Personal Wealth:** As a result of the current economic downturn, the net worth of U.S. households fell at least \$12.9 trillion since June 2007, according to the Federal Reserve Bank. Most of the wealth was lost in financial assets such as stocks which began to fall at the end of 2008. At the same time, the value of homes, the largest asset for most families, also fell in value. As a result, most Americans feel less confident now than they did prior to the recession.

**Endnote:** Have we reached the end of the current recession? We can't be sure we've hit bottom until we're in the rebound. President Obama is working hard to get the support he needs for his program. His efforts require our full support.