

# RC 8 Retiree



May/June 2013

## RC 8

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### Just for Fun!

Check out the  
AFL-CIO's *Executive PayWatch* at

[www.aflcio.org/  
Corporate-Watch/  
CEO-Pay-and-You](http://www.aflcio.org/Corporate-Watch/CEO-Pay-and-You)

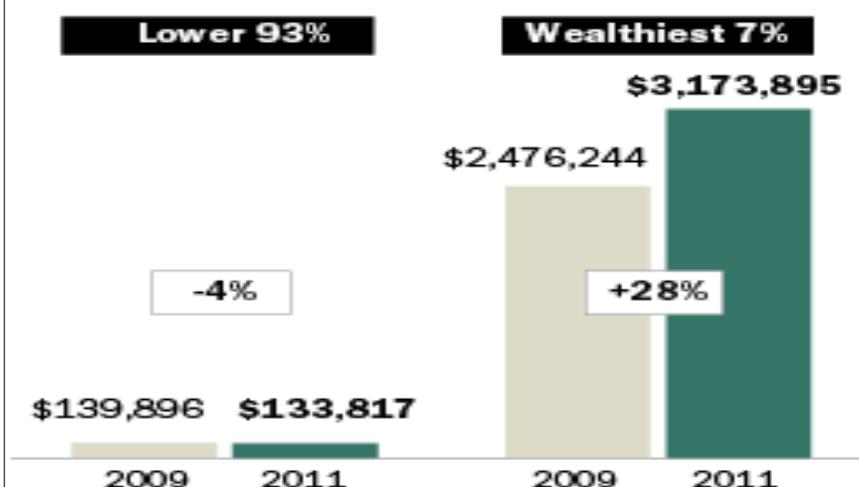
mac@nysut.org



## An Uneven Recovery By Kenneth Drake, President

During the first two years of the economic recovery, the net worth of households in the upper 7 percent of the wealth distribution rose by an estimated 28 percent, while the net worth of the lower 93 percent dropped by an estimated 4 percent. The difference was driven by the fact that bond and stock markets rose during this period while the housing market declined. The wealthy have a much higher share of their wealth in financial assets. *Source: Pew Research Center, 4/23/13*

Change in net worth per household,  
2009-2011



**NOTE:** In 2011 lower 93% refers to households with a net worth at or below \$836,033. In 2009 lower 93% refers to households with a net worth at or below \$899,275. Dollar figures in 2011 dollars. *Source: Pew Research Center tabulations of Survey of Income and Program Participation wealth data.*

## Complexity Trumps Practicality

The Affordable Care Act is a flawed piece of legislation and its implementation is problematic because of its complexity. David Brooks does a good job of pointing out some of its shortcomings in a recent editorial. I did take exception, however, when Brooks wrote, "Everything is turning out to be more complicated than originally envisioned." The law's complexity was evident from the very beginning. Sadly, Congress chose to create an unwieldy bureaucracy instead of strengthening the time-tested Medicare program, a program that is simple to implement, cost effective and equitable. Everyone in one system, a common sense practical approach.

## RC 8 Delegates Attend Representative Assembly

Vice-President Howard LaFave, Delegate Florence Wood and I attended the 41st Annual Representative Assembly in Washington, D.C. in April. I arrived on April 10 to attend most of the President's Conference and left Saturday morning. Howard and Florence arrived Thursday, April 11, and left Sunday. Howard served as a Sergeant-At-Arms and Florence served as a Teller. Each of us attended meetings to discuss a category of resolutions and participated in the voting on the convention floor.

*Please see RC 8 Delegates continued on page 2.*

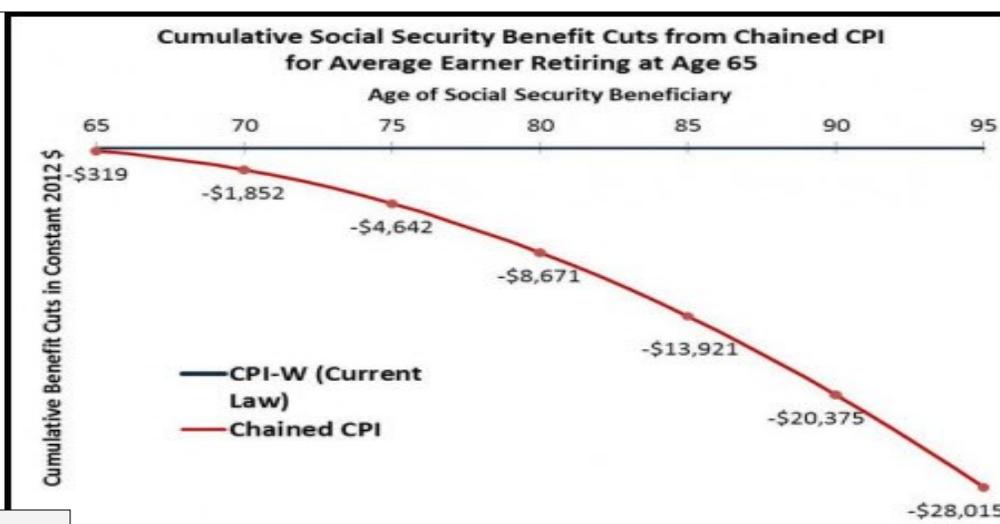
**Retiree Council 8 Steering Committee:** Adirondack—E. Hendrickson, H. LaFave; Canastota—B. Woodarek; Central Square—C. Richmond; Clinton—G. Adams, M. Duink; Holland Patent—D. Schue, J. Grossman; New Hartford—D. Markson; Oneida—S. Sorrentino, K. Brown; Oneida BOCES—J. Furgal, C. Zammiello; Oriskany—S. McQueen, D. Inserra; Oswego—K. Mantaro; Remsen—J. Corn; Rome—W. Carey; Utica—P. Baker, A. Gorman; VVS—K. Drake, A. Wright; Waterville—M. Berardino; Whitesboro—H. Chomin, F. Wood; Immediate Past President—Peg Corbett

## Chained CPI: Cutting Your Social Security COLA

According to the Social Security Actuary, moving to a chained CPI (Consumer Price Index) would mean an immediate benefit cut. In fact, according to Social Security Works, an average earner retiring in 2011 at age 65 would lose over \$6000 over 15 years if the chained CPI were adopted. The chained CPI assumes that a lower COLA is acceptable because consumers can substitute cheaper products when prices go up. The problem is that health care costs cannot simply be substituted with a cheaper version.

While some support this as a way to slow the expenditures of Social Security, Sen. Bernie Sanders (I-VT) has stood up to these claims by calling the change what it is: a massive cut to Social Security for current and future retirees. Though benefits would continue to grow, they would fail to keep up with the current rate of inflation, leaving retirees to work with even less money than they already receive. As Senator Elizabeth Warren (D-MA) has said, "Chained CPI is just a fancy way to say 'cut benefits for seniors, the permanently disabled and orphans.' Our Social Security system is critical to protecting middle class families, and we cannot allow it to be dismantled inch by inch." For more on the Chained CPI, go to <http://bit.ly/R4vsrb>.

Source: *nysut.org*, January 2013; *ARA Fact Sheet*, July 2011.



Source: *thepoliticalcarnival.net*

### Another View of Chained CPI

The following statement is from Eric Kingon, co-chair of the Strengthen Social Security Coalition, on the chained CPI benefit cut to Social Security and other Medicare benefit cuts proposed in the President's budget:

"Evidently the President either does not understand or does not care how critically important Social Security and Medicare are not just to seniors but to middle aged and younger workers for whom these programs are likely to be even more crucial. What he and other elites call 'tweaks' are deep cuts, which will take away the bread and butter of seniors, people with disabilities, children who have lost parents, veterans who have served this nation and others. He promised he would not slash benefits; he has broken his promise to the American people."

## RC 8 Delegates (continued)

The first seminar I attended as part of President's Conference was about how NYSUT uses social media to enhance political action. NYSUT is a recognized national union in terms of developing technological strategies to influence public opinion. The second seminar pertained to legal matters that affect active and retired teachers, especially the move by our state government to go after Triborough and to turn our defined pension system into a defined contribution plan.

Retirees make up a strong and active contingent at the assembly. Retiree Services does an excellent job of providing opportunities for retirees to gather and discuss issues of importance to us retirees.

Submitted by *Kenneth Drake*, RC 8 President

### DATES TO REMEMBER

**NYSUT Regional Conference, October 2, 2013, at Doubletree Inn in Syracuse**

**Retiree Council 8 fall luncheon, October 17, 2013, at Delta Lake Inn**

**Oswego (OCTA) luncheon September 16, 2013, for retired NYSUT educators and SRPs of Oswego county. More information will be in the August Retiree Council 8 newsletter.**

## We Fondly Remember our Friends and Colleagues

|                    |                  |                        |            |
|--------------------|------------------|------------------------|------------|
| Bernice Stokes     | Canastota        | Marge Petersen         | Oriskany   |
| Bill Pestell       | Canastota        | Carolyn Zumbrun        | Oriskany   |
| Elizabeth Cornell  | Cazenovia/Mexico | Theresa Bosco          | Oswego     |
| Marie Harwood      | Central Square   | Barbara Holthouse      | Oswego     |
| Margaret Phelps    | Central Square   | Yolanda Izzo-Breitbeck | Oswego     |
| Sandra Simcuski    | Central Square   | Dorothy Smart          | Phoenix    |
| Frances Webb       | Central Square   | Lois Davidson          | Pulaski    |
| Claire Wilkins     | Central Square   | Jesse Benedict         | Rome       |
| Barbara Maxwell    | Chittenango      | Dale Kinne             | Rome       |
| Gladys Mayer       | Chittenango      | Jeanne Mattis          | Rome       |
| Erv Tuttle         | Clinton          | Hugh Rossi             | Rome       |
| Eleanor Clark      | Fulton/Phoenix   | Bernadette Eichler     | Utica      |
| Joyce LeRoy        | Fulton           | Jane Holliday          | Utica      |
| Harriet Neff       | Fulton           | Jean Boyce             | Whitesboro |
| Joyce Collinsworth | Holland Patent   | Jane Herlehy           | Whitesboro |
| Harvia Chaffee     | Hannibal         | Shirley Hughes         | Whitesboro |
| Joseph Tyrie, Jr.  | Hannibal         | Anita Leone            | Whitesboro |
| Wilma Westervelt   | New Hartford     | Richard Niemetz        | Whitesboro |
| Margaret Walsh     | Oneida           | Robert Patterson       | Whitesboro |
| Jean Bice          | Oneida BOCES     | Sally Pardee           | Whitesboro |
| Anna Gadbow        | Oneida BOCES     | Thelma Reinman         | Whitesboro |
| Barbara Evans      | Oriskany         | William Vale           | Whitesboro |
| Norma Harter       | Oriskany         | Adam Ziemba            | Whitesboro |

### RALLY 'ROUND on June 8

Join NYSUT, your friends, colleagues, students, and parents on Saturday, June 8, at 12 noon in Albany to Fight for the Future of Public Education!

As NYSUT President Dick Iannuzzi recently outlined, the Fight for the Future of Public Education is a broad theme comprising many issues embraced by NYSUT members, parents, administrators and community supporters. This rally will revolve around obsessive high-stakes testing, funding (including issues such as the tax cap, the state aid formula and higher education underfunding) and access (immigration reform and the DREAM Act). It will also provide an opportunity to build on relationships with parents, administrators, school boards and other stakeholders who should be able to support this event.

A bus for retirees will be leaving from the Utica Regional Office at 10 a.m. and Riverside Mall at approximately 10:30 and returning at 5 p.m. Reserve your seat by calling Julie at the NYSUT Utica Regional Office at 315-768-0131 ([jaddingt@nysutmail.org](mailto:jaddingt@nysutmail.org)) and please identify yourself as a retiree. If you have any questions about the rally, contact Carole Gehrig at 315-431-4040.

## Tax Cap: A Great Way to Save?

At first glance it seems like the 2 percent tax cap is a great way to save dollars for retirees. However, as one looks into it and its nine-step formula, which includes a variety of adjustments and exemptions, one finds that "the devil is in the details."

As of April 2012, 12 school districts had negative tax caps and 58 districts have allowable limits over 5 percent. Don't be surprised if levies rise above 2 percent since with cuts to government services and schools voters will likely override the cap. NYSUT and several parents filed a lawsuit claiming "...the tax cap is unconstitutional because it widens the gap between rich and poor districts and interferes with local control of schools." As retired educators and school staff members, perhaps we should not just be concerned with the money saved but by what will be lost to students. Many of us have grandchildren in school and/or children in the teaching profession who will be affected.

The following information provided by NYSUT was presented in March by the Committee of 100 to the legislators in each local district: "Two years of sizable state aid cuts, coupled with the imposition of the tax cap, have created conditions where most districts will be unable to turn around the disinvestments in classroom services experienced over the last four years.

The average allowable tax cap was 2.6 percent in 2012-13 after adjustments. This cap does not even keep up with inflation, which was 3.1 percent in the 2011 calendar year (the year that is used for the 2012-13 tax cap calculation). Maintaining the tax cap as it is will continue to force districts to eliminate programs. Without significant additional aid, and a reasonable adjustment to the tax cap for costs beyond their control, many school districts will lack sufficient resources to fund current programs. NYSUT was also concerned about the 60 percent supermajority requirement in terms of disparate impact on low income and high minority school districts."

For more information on the tax cap, visit [nysut.org](http://nysut.org) or contact the NYSUT Legislative Department at 518-213-6000.

*Submitted by Howard La Fave, RC 8 Vice President*

