

COST OF LIVING INFORMATION

All city retirees will be reimbursed late next month for Medicare Part B payments deducted from Social Security checks in 2007, and receive an automatic 50-percent cost-of-living increase in their Social Security payments in September, the Retirees Association of District Council 37 said last week.

STUART LEIBOWITZ: COLA glass only half-full.

Retirees will receive a Medicare Part B reimbursement of the rate most recipients paid per month - \$93.50 - or \$1,122 for the entirety of calendar year 2007. The cost-of-living increase will be two percent of the first \$18,000 of pension, for a maximum increase of \$360, or \$30 a month.

Decries COLA Inequity

DC 37 Retirees Association President Stuart Leibowitz said that retirees were grateful for the cost-of-living adjustment, but that improvements are still necessary. Higher-earning retirees paid an additional Medicare B premium. The law mandated an additional deduction of \$12.30 per month for individuals whose income exceeded \$80,000, or \$160,000 for couples, and one of \$30.90 monthly for individuals with an income of \$100,000 to \$150,000 and couples earning \$200,000 to \$300,000. Mr. Leibowitz said that the reimbursement check in August will include information on how those who paid the higher amounts can seek to be reimbursed for those surcharges. Mr. Leibowitz said that the \$18,000 cap on the amount that determines COLA payments fails to compensate the many retirees receiving a pension above that amount. For example, a person receiving a \$30,000 pension and one collecting an \$18,000 pension will both receive an additional \$30 a month.

Makes Case for Full COLA

Mr. Leibowitz said that the Retirees Association plans to work with other union groups to further upgrade the COLA. In addition to increasing payments for those receiving higher pensions, he said they will also work to gain a full COLA rather than the adjustment based on half the increase in the Consumer Price Index. "Social Security gives 100 percent [of the cost-of-living index]," he pointed out. "The union has legislative initiatives to improve the pension. We have a proposal to raise the cap from \$18,000 to \$25,000, which we thought was a modest proposal and would afford some relief, but everything has been stalled in Albany" since the revelation that legislators have relied strictly on the estimates of a union actuary in considering the potential cost of pension bills. Mr. Leibowitz also said that retirees should not have to wait five years for cost-of-living adjustments to take effect, noting that Social Security factors it in immediately. "There are hundreds of thousands of people involved in these items," Mr. Leibowitz concluded. "We take note that since the COLA payments began in 2001, those of us who had it since 2001 have received more than \$2,000 to our pensions. But we don't believe it's fair because it does not reflect the full value of the pension we receive after working for many years."