

# Open enrollment for upgraded disability coverage

By PATRICK SMITH  
PSC-CUNY Welfare Fund

## Optional rider for full-timers

The Welfare Fund has initiated an improvement to the disability insurance rider offered to full-time faculty and professional staff through The Standard Life Insurance Company of New York. The change has triggered a unique opportunity for covered members to buy the optional disability rider without medical evidence.

Disability insurance is designed to replace a portion of monthly income in the event an employee cannot work because of sickness or injury. All full-time members of the PSC-CUNY Welfare Fund with one year or more of service receive a basic disability benefit from the Welfare Fund. Many members have elected to buy the optional rider for a higher level of coverage, and this rider is now being upgraded.

Those who are enrolled in the existing rider program will automatically receive the new, improved coverage. Those who have not previously applied will now have an op-

portunity to get this enhanced benefit without providing "evidence of insurability" – the usual medical history requirement.

This waiver is normally available to members only if they enroll within 60 days after completing one year of service. But during a special enrollment window from April 15 through May 15, Standard Life will forego that requirement. (Those who have previously applied for the optional rider coverage and been denied would still need to provide a medical history.)

### New chance for full-timers to up coverage

#### ENHANCED

The upgraded disability rider provides an increase in the maximum income replacement benefit, raising it from \$5,000 per month to \$6,000 per month effective June 1, 2008. The original rider provided four improvements over the basic plan:

1) the benefit is set at a higher percentage of salary (60% rather than 50%);

2) a longer duration of benefit payments – from any age until 65, rather than capped at 5 years (see summary plan description for provisions on when a disability starts at over age 60);

3) Payment into a special TIAA pension while benefits are being paid out; and

4) a higher maximum monthly payment (\$5,000 rather than \$2,500).

All provisions are incorporated in the new rider except item 4, where the monthly maximum is being increased to \$6,000.

"This is a second chance to get the higher level of protection that many people wish they had taken when it was first offered," said WF Executive Director Larry Morgan.

Contact your campus human resources office for a brochure on the new rider, enrollment forms or for any additional information. (More details on the Welfare Fund's basic disability plan and the rider option are also available on the Welfare Fund website, [pscunywf.org](http://pscunywf.org).)



Peer Higgins

## Pilots protest

More than 500 members of ALPA, the pilots' union, marched across from the NY Stock Exchange on March 17. Pilots at Continental gave up more than \$200 million a year in their last contract – a loan to help the airline beat bankruptcy. Now, the union says, the company cleared \$556 million before taxes, and the pilots, who are about to begin negotiations, marched to send the message that they expect their loan to be repaid in the next contract. The current deal expires in December.

# New names, new options for TRS funds

By ELLEN BALLEISEN  
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## Effective as of July 1

If you have a tax-deferred annuity (TDA) with the Teachers' Retirement System (TRS), or if you are a TRS member in Tiers 1 or 2, you will soon see changes and more options. TRS is adding three new funds, renaming three existing funds, and making it easier for funds to be moved from one fund into another.

Both retirees and active members will be able to take advantage of the new features. For TRS members in all pension tiers, the changes will apply to TDA accounts; for members in Tiers 1 and 2, the changes also apply to their ASF and ITHP pension accounts.

The six funds will be known jointly as "the Passport Funds," and the new names and new options will be implemented this summer. (The effective date is July 1; see [www.trsnyc.ny.us](http://www.trsnyc.ny.us) for updates.)

The three existing funds, which are managed directly by TRS, will all be renamed:

**The Fixed Return Fund** is the new name for the former Fixed Annuity Program. This fund earns a fixed return that is guaranteed by the New York State Legislature. A rate of 8.25% is in effect through June 30, 2009, with a long-term guarantee that the rate will never be less than 7%.

**The Diversified Equity Fund** is the new name for the former Variable A Annuity Program. This fund

invests mainly in US equities, with the stated objective of "a rate of return comparable to that of the broad equity market."

**The Stable-Value Fund** is the new name for the former Variable B Annuity Program. This fund invests in "stable-value vehicles" such as guaranteed investment contracts or fixed-income securities and aims "to preserve principal and provide a steady rate of return."

#### NEW FUNDS

The three new funds are:

**The Inflation Protection Fund**, which invests in mutual funds and assets such as commodities, real estate securities, and inflation-linked bonds. Its objective, says TRS, is "to provide a positive real rate of return that exceeds inflation" over the long term. This fund is managed by PIMCO All Asset Fund on behalf of TRS.

**The International Equity Fund**, which invests mostly in non-US companies. Managed directly by TRS, this fund is essentially the international investment component of TRS's long-standing Variable A Annuity Fund (see below). TRS says that its aim is to "achieve a rate of return comparable to the return on the non-US developed equity market" over the long term.

**The Socially Responsive Equity Fund**, investing mainly in mutu-

al funds and US equities, to "earn a rate of return comparable to the return of the broader equity market while reflecting social priorities."

This fund is managed by Neuberger Berman, a Lehman Brothers company, which says this fund seeks to invest in companies that "show leadership" on issues such as the environment, workforce diversity, and "progressive employment and workplace practices." However, the fund's ten largest stock holdings include thousands of shares in Comcast, described by the *Washington Post* as "an avowedly anti-union corporation." According to the Communications Workers of America, Comcast has been charged with hundreds of violations of federal labor law.

The issue of labor rights has been raised by TIAA-CREF members at CUNY and elsewhere in relation to TIAA-CREF's similar Social Choice Fund. Last year the American Federation of Teachers and New York State United Teachers both adopted resolutions proposed by the PSC, criticizing the Social Choice Fund's criteria as weak on union rights and urging that they be strengthened (see September 2007 *Clarion*, page 10).

#### NEW RULES

Along with the introduction of the Passport Funds, TRS will be of-

fering shorter conversion periods for people who want to move money from one account to another. At present, fund conversions take 12 months – that is, one-twelfth of the money is moved over each month until the transfer is complete. Under the new system, in-service members and retirees will be able to choose conversion periods of three, six, nine or 12 months.

Another change will provide more flexibility in when you can make changes. Retirees who receive monthly payments will be able to make changes quarterly to the investment choices in their TDA accounts, with effective dates of January 1, April 1, July 1 and October 1. (For TRS retirees in Tiers 1 and 2, this change will also apply to their ASF and ITHP accounts.) Deadlines for filing for conversions will be 60 days

prior to the effective dates, and forms for conversions will be accepted at any time prior to the deadline. However, retirees will not be able to stop conversions already in progress.

The same quarterly effective dates will apply to in-service members changing their investment mix, both for TDA accounts and Tier 1 and 2 members' ASF and ITHP accounts. In-service members will need to file conversion forms 30 days before the effective date. Like retirees, they will be able to submit conversion forms at any time before the deadline; unlike retirees, they will be able to stop a conversion in progress.

Over the next three months, TRS will mail literature to both retired and in-service members with a more detailed explanation of all changes. TRS does not offer opinions on investment advice – but if you have factual questions after reading the mailing, you can contact TRS at (888) 8NYC-TRS or [www.trsnyc.ny.us](http://www.trsnyc.ny.us).

### New 'Passport Funds' for retirees & active members

## ORP+10 years = more pay

Changes resulting from the Optional Retirement Plan (ORP) pension equity legislation that the PSC and NYSUT won last year are beginning to take effect. The first reductions in member contributions kick in this month. Eligible ORP members at community colleges should have seen the change in

their April 4 paycheck, and those at senior colleges should see it in their April 10 paycheck. The PSC worked for seven years for this legislative victory, which will ultimately give eligible ORP members an effective increase of up to 3% in their take-home pay after 10 years of CUNY service.