GORDON GEKKO RIDES AGAIN!

You remember Gekko from the film “Wall Street” wherein he exclaimed with a smirk on his face that greed is good.

In the bear-knuckle political fight to the White House, Mitt Romney, the newly anointed Gekko, is taking it on the chin from his fellow Republican challengers. His tenure with the private equity firm, Bain & Company, has placed him under the microscope and emphasizes the fact that he did not create the jobs as he purported he did, but, rather, destroyed them during the economic transition during this era of insecurity.

An era where the GDP kept rising yet the wealth was not evenly distributed and promises to get worse relegating future generations and their opportunities forcing them to remain in the class to which they were born.

Not only is this an historical tragedy but it has long-term future implications as well.

Mitt was a protagonist in the rough and tumble world of capitalism where he behaved like a vulture capitalist and, according to him, “... loved to fire people.”

One of the main metrics by which private equity firms are valued is the size of assets under management.

The private equity business philosophy is all about enriching the elite at the expense of the working class with deals, profits and layoffs. That is the primary thrust of private equity funds.

Why would any trustee of a public pension fund or Taft-Hartley fund retain a private equity fund organization to manage a segment of their assets? What kind of protections are in place for the workers in the companies acquired or merged? Have the trustees screened these and have they asked the hard questions?

Are trustees making the decision exclusively for the return? Because we know definitively that these organizations’ funds are responsible for gross job destruction and their investment returns are mixed.

(continued on page 2)
These funds use their assets to perform buyouts and takeovers that result, by-and-large, in ruthless cost-cutting at the expense of the employees of the targeted firms. A portion of the workers lose their jobs and those remaining lose benefits and see a lower wage package that is all part of the steps and strategy of enhancing the investors’ returns.

We wonder why industries have been diminished and eroded in this global economy. Have we seen the kind of money that the perpetrators of this cost-cutting cult earn? Put them in the same earnings category as the hedge fund managers. They are off the charts in remuneration while the workers are just off the charts.

Look at what the peripatetic bobbing and weaving, dancing and dodging Mitt Romney has to say about his years at Bain & Co. He always claims that he knows how to create jobs. Reminiscent of George W. Bush, “The Decider,” Mitt attempts to come across as “The Creator.”

It is a sad commentary on the state of electioneering rhetoric that a so-called private equity entrepreneur has the gall to claim that he created long-term sustainable employment and added to our nation’s job creation numbers. Its a sham.

I am sure that if we performed some serious analysis of the number of jobs created or the enhanced salaries and benefit programs for the workers at these firms instituted by this investment strategy we would be shocked by what we discovered. The result would be that the bank accounts of the CEOs of the entities engaged would be larger and we certainly know that the coffers of the asset managers would be overflowing with capital. What about the workers affected?

How can investment management consultants recommend these strategies to their clients’ pension funds?

What’s good for the investors is not necessarily good for the workers. We must be mindful of this in every decision we make as trustees or we can invest our way into oblivion contributing further to unemployment in companies and industries in America creating a lost generation of jobless Americans.

Tom Mackell has written a book entitled *When The Good Pensions Go Away: Why America Needs a ‘New Deal’ for Pension and Healthcare Reform*. It was published by John Wiley & Sons and is available NOW at Amazon.com. and fine bookstores everywhere.
Tragically Underprepared

By Teresa Ghilarducci

A shocking number of older workers are tragically underprepared for retirement. Over a third of New Yorkers approaching retirement age have less than $10,000 in liquid assets which means at least 37% approaching retirement in New York State are projected to be poor or near poor in retirement, with an average budget of about $7 per day for food and approximately $600 a month for housing. In addition, working longer is becoming an unattractive option for strapped retirees. For the first time, older unemployed Americans remain unemployed longer than younger job seekers, even teenagers.

To be sure, the financial crises that eviscerated 401(k) plans negatively affected New Yorkers’ and the rest of the nation workers’ nest eggs. However, experts agree the primary cause of the upcoming retirement crises in New York and the nation is simple: most workers do not have retirement accounts at work. Over half of workers New York State, more than 4 million workers in 2010, do not participate in a plan with their current employer and the rate is only slightly better in the U.S.

Workplace retirement plans are simply the most practical way for people to save the necessary 5% to 10% of pay consistently in order to adequately supplement their Social Security because workplace plans allow for easy employer contributions and automatic deductions that remove the temptation to spend retirement savings on everyday needs. In fact, we know retirees receiving income from a workplace retirement plan are more likely to retain middle-class lifestyles than retirees without income from an employer-sponsored plan.

It is stunning that more than 50% of workers do not have retirement plan coverage given that Congress, worried about the same dismal rate of coverage 30 years ago, tried to address the lack of retirement security by extending the 401(k) plans originally designed for executives to everyone and creating individual retirement accounts (IRAs). To incentivize coverage, Congress increasingly expanded tax breaks and massive commercial advertising for retirement planning, retirement plan coverage for ordinary people is stagnating.

To solve the coming retirement crisis, states and the federal government should provide retirement plan coverage to all employees by opening up state pension funds so they can manage the retirement savings for private employees.

And just last week, New York City Comptroller John Liu called for such a plan for New York City residents. A NYC Personal Retirement Account (PRA) program would pool employee and employer contributions into a professionally managed citywide retirement fund that can leverage economies of scale and offer portable, efficient, low-cost pension plans because they use the same professional staff and institutional money managers that invest the state and city pension funds to manage contributions made by participating employers and employees in the private sector.

Providing the choice to ordinary private sector workers and their employers (more important for small employers who need good options) to have their retirement funds managed by public pension plan professional makes financial sense. State and local pension plans consistently earn the highest returns for the least cost. In fact, public pension plans outperformed 401(k) plans and IRA accounts. In short, because they combine the savings of workers of all ages, can offer a well-diversified portfolio over time, and are professionally managed, state and city pension plans, have the bargaining power to lower fees and prioritize long-term investments can deliver the same level of benefits as individual 401(k)-type plans at a much lower cost — 46% less to be exact. The final benefit is there would be no cost to taxpayers but the number of future impoverished retirees would fall.

Saving for retirement is one problem but finding a safe place to save for retirement consistently with steady returns and low fees is difficult for everyone. Governor Cuomo’s move for a Tier VI for public employees is not a bold move, though many of the provisions such as adjusting retirement ages and preventing spiking make sense. A 401(k) plan will further cut pensions for future public sector workers and will make the crises worse.

Every worker needs to have a safe and convenient way to save to retire without facing downward mobility in retirement. Connecting private sector workers to the public sector’s secure and efficient pension funds can give ordinary people access to the same investments large institutional funds and rich people have.
The Struggle to Provide Employee Benefits

By Gregory Patterson, Trendline Health

The economic struggle to maintain health care for union and non-union employees continues throughout the United States. Arduous negotiations between union leaders and employers over how companies can maintain health care benefits for union members continues to be a daunting, annual task.

Health care is clearly getting more expensive. The Medical Care Cost Inflation Index continues to increase at a rate well above other economic indicator benchmarks. The majority of solutions suggested thus far do not help the employer or the employee. No one wants to pay more for a benefit that is either reducing in quality or at best remains unchanged.

Whether it's cost shifting more of the expense burden from the employer to the employee, overall reductions in coverage or the quality of care provided or even worse — outright eliminations of employer sponsored health care plans; the solutions to-date largely have been reactive, cost containment or cost elimination, budget tightening concepts. These solutions are effective in reducing the associated costs. However, such solutions clearly lack any creative or proactive element that might actually improve the standing for both the employer and their employees.

The principal concept of improving or at least maintaining the quality of care, rather than removing one of the key benefits employees and their families have come to expect, needs to be part of the dialogue.

Can Healthcare Improve, Without Increased Costs For Employers And Employees?

The Bureau of Labor Statistics defines health care as:

Health care is a collective term for preventative and protective coverage for the following measures: medical, dental, vision, and outpatient prescription drug plans. If workers have access to or participate in at least one of these benefits, they are considered as having access to or participating in health care.

(continued on page 5)
Union leaders have done a remarkably good job of protecting at least some form of health care coverage for their constituents. According to the recent Bureau of Labor Statistics report, Employee Benefits In The United States –March 2011, union members enjoy one of the highest rates of access to and usage of a health care plan. The report finds that 93% of all union members are covered under the bureau’s definition as defined above. Comparatively, only 64% of all non-union workers have access to and usage of an employer sponsored health care plan, per this report.

While the majority of union workers are covered by a health care plan, the bureau’s report does not delve into how employers and their union counterparts can afford to pay for a healthcare trend that is ranging between 5% - 14% in annual cost increases.

Contrary to popular belief, there are ways that employers can contain these health care trend increases. There are solutions that provide tangible, positive results such as a longer time horizon (3 year budgets rather than a monthly or annual budget) and the means to reduce some of the related cost increases without asking the employer or employee to simply pay more for the same coverage they had last year.

**Advance Funding of Corporate Health Care Liabilities**

Trendline Health delivers three year (36 month), fixed and finite budgets for corporate health care liabilities. Our innovative and safe solutions help employers to build substantial cash Reserves that are tax-free to the extent that these Reserves are used to pay down employee health care expenses. Trendline’s conservative approach to Risk Management provides employers and union leaders with a fixed and finite, 3 year budgeted expense, an opportunity to improve the corporation’s balance sheet and the ability to build substantial cash Reserves that will pay down some of the associated cost of health care. Trendline’s proven, proprietary finance programs, Advance Fund a company’s health care liability. Advance funding of an entity’s health care liability does not require any disruption or replacement of existing relationships with carriers, care consultants or brokers.

Learn more about how Trendline Health can be of service to your organization by visiting our website: www.trendlinehealth.com

---

**Unions: Occupy Wall Street to Get Its Money Out of Our Politics**

By Rob Hager, Money Out of Politics (MOP)

Union participation in the Occupy Wall Street movement provides an opportunity to craft a unifying message that would restore the populist leadership role unions exercised when they were at the height of their influence. Although the protest movement executed a tactic before crafting a clear demand, the evolving message is about inequality and the inordinate influence of money in politics.

Jobs are a priority issue in an economy suffering from structural inequality and consequent lack of demand. Tax breaks for the rich is another priority issue for a government deeply in debt. There are other priorities. But behind these issues, and every other issue motivating the anti-Wall Street movement, is the nexus between the top 1% and political power. The target of the spreading protest movement is a ruling class enabled by money in politics to buy policies that enrich themselves.

Addressing this common root of the range of problems caused by Wall Street’s hijack of democracy would restore unions to the center of a movement to reverse the losses suffered by union members as well as the broader non-unionized middle and working class — literally the other 99%.

At this moment, unions have the unique capacity to step outside its silo of narrow labor issues that tend to divide them from other supporters who similarly remain within their issue silos. Unions can lead the developing coalition supporting this protest movement if they formulate a single unifying demand out of the diverse and unfocused complaints emanating from this leaderless movement. Otherwise the protest could dissipate into the coalition politics that cedes power to the Democratic Party. Coalition politics have not served unions, nor any other of the many issue groups that challenge ruling class power.

A single defining populist message to sever the nexus between Wall Street and politics, to get money out of politics by means of a plausible strategy to enact comprehensive legislation, would gain broad

(continued on page 6)
Advertising space is available in all issues of *Insights*.

Please reserve advertising as follows (circle one):

**EMPLOYMENT OPPORTUNITIES:**
(3.5” wide x 1.25” high) $100.00

**BUSINESS CARD:**
(2” wide x 3.5” high) $125.00

**QUARTER PAGE:**
(3.5” wide x 4.5” high) $300.00

**HALF PAGE:**
(7.5” wide x 4.5” high) $600.00

**FULL PAGE:**
(7.5” wide x 9” high) $750.00

Complete the information below to reserve an ad in the next issue of Insights.

**Contact Name:** ___________________________

**Organization:** ____________________________

**Address:** ________________________________

**Address:** ________________________________

City: ______________________________________

**State, Zip:** ______________________________

**Phone No.:** ______________________________

Complete this form, attach printout of ad copy and enclose check payable to the Association of Benefit Administrators, Inc. and mail to the attention of George L. Bueno at Association of Benefit Administrators, Inc., c/o OPEIU Local 153 Pension Fund, 265 West 14th Street, 6th Floor, New York, NY 10011. Please submit electronic artwork for your ad (ideally scaled to size and in the form of a black and white PDF file) to j.cully@perfect-forms-systems.com. Please direct questions concerning advertising to Jacquelyn Cully at Perfect Forms and Systems, Inc. at (631) 382-4968.

Non-partisan support. Condensing multiple issues into one underlying cause would also permit single issue politics to replace party and personality politics coopted by money. Several organizations like NRA and AIPAC, and the prohibitionists a century ago, have demonstrated the power of single issue politics. A small minority focused narrowly on a single defining issue can exercise overweening power by its capacity to swing elections.

Unions uniquely have the resources and the organizing power to take on the game-changing issue of money in politics. Unions would in turn become the prime beneficiary of removing money from politics. Their organizing potential would be empowered in a new political order that excludes money from elections, leaving power to those able to mobilize their supporters without giving money to politicians or parties.

A demonstration of how single issue politics can be employed to support comprehensive legislation to get money entirely out of politics is described at MOP20.org.

**REMEMBER:***

Please Visit the ABA Website on the worldwide web at:

**assocbenadmin.com**

**CLICK ON THE “News-Alert Signup” link to add your name to our e-mail list.**
THE VALUE OF A PROJECT MANAGER

By Ken Mertz, CEBS, PMP

With the current political and economic environments, changes to employee benefits plans and administrative procedures are inevitable. Effectively implementing these changes is frequently a time consuming and costly task. Depending on the extent of change and the proposed cost from your vendor, it could mean going out to bid for a new system all together.

If you have a parameterized, user friendly, rule based system and someone trained on managing the parameters, you stand a good chance of independently incorporating typical rule changes such as changes to eligibility requirement for initial coverage, or an increase in the value of a pension credit. Most fund offices are not this fortunate and therefore rely on their software vendors to maintain such parameters and rule changes.

But larger Information Technology projects such as replacing hardware, software, and data conversions from one system to another are a whole different animal. These projects require teams consisting of benefit fund staff, external users of data such as prescription card vendors, insurance carriers, and fund actuarial consultants. The task of coordinating these project participants can be compared to that of a construction site superintendent who coordinates the efforts of the subcontractors. A dedicated project manager can save the funds substantial time and money on their IT projects.

Project sponsors (fund administrators and trustees) should carefully consider the pros and cons of assigning this task to an internal resource vs. hiring an outside consultant. This decision alone has made the difference between success and failure in many system implementations. Things to think about when considering internal resources are:

Time. Make sure you grant this person enough time away from their normal duties to adequately dedicate themselves to the project.
Skill. This includes skills in leadership, communication, time management, resource management, task planning, and scope management.

Subject matter expertise. Includes benefits administration and technology expertise.

Patience and temperament. Someone who can stay focused on the objective and not let the obstacles completely stop the project.

If there are no viable internal candidates, then the sponsor can consider hiring a project manager consultant to fill this role.

The role of the project manager is to utilize their training, experience, and the right tools to ensure all areas within scope are completed on time and within budget. They are responsible for controlling the scope, monitoring costs, and risk management. They keep an eye on the bigger picture while the project participants are focused on their individual pieces. They are also responsible for providing timely status reports to the sponsors and other stakeholders.

The Project Management Institute www.pmi.org is an internationally recognized organization that is dedicated to the highest standards and training for project managers. Through a combination of training, experience, and testing, a person can become certified as a Project Management Professional.

Consider the benefits of having a certified Project Manager representing and protecting the fund’s interests when engaging in large projects such as implementing a new benefits administration system.

IMPORTANT ANNOUNCEMENT

THE ABA IS PLEASED TO ANNOUNCE THAT CLASSIFIED ADVERTISING SPECIFICALLY FOR EMPLOYMENT OPPORTUNITIES IS NOW AVAILABLE IN ALL ISSUES OF INSIGHTS.

YOUR 3½”w x 1¼”h AD WILL BE PROMINENTLY DISPLAYED IN A SPECIAL CLASSIFIED ADVERTISING COLUMN DUBBED “INSIGHTS ON EMPLOYMENT”

PLEASE SEE THE ADVERTISING RESERVATION FORM IN THIS NEWSLETTER FOR ADDITIONAL INFORMATION.
ABA President Tom Mackell, Jr. presents gavel award to Honoree Mark Ayers, President, Building & Construction Trades Department, AFL-CIO.

Anita Kartalopoulus (Milberg, LLP) and Lou Gordon (BALCONY).

ABA President Tom Mackell, Jr. thanks Honoree Mark Ayers for accepting our award.

George Bueno (ABA Treasurer; OPEIU Local 153 Pension Fund), Honoree Mark Ayers, President, Building & Construction Trades Department, AFL-CIO and Tom Mackell, Jr.

Thomas J. Mackell III (BNY ConvergEx Group), Tom Mackell, Jr., Eileen Flannelly (New York City Department of Records), Charlie Burgdorf (Lazard Asset Management), Christina Lynch-Burgdorf (Mackell), Terrence Mackell, Paola Garcia (New York City Business Solutions), Megan Mackell and Sean Mackell (New York City Central Labor Council, AFL-CIO).
Hon. Ann Margaret Corozza and Sonya Ivany (New York State AFL-CIO)

Ron Salvador (EnvisionRx Options), Tom Mackell, Jr. and Megan Mackell

Thomas J. Mackell III (BNY ConvergEx Group) and Fred DeMartino (Asbestos Workers & Insulators)

William Dealy (Dealy & Silberstein) and Eileen Flannelly (New York City Department of Records)

Gene Friedman (Friedman Wolff) and Kevin Lynch (Black Thorn Lynch Associates, Inc.)

Christina Lynch-Burgdorf (Mackell) and Terrence Mackell
Phil Carter has served as the Fund Administrator for the Suffolk County Police Benevolent Association Benefit Fund since January 2002. The fund provides benefits for Suffolk County Police Officers, Detectives, Detective Investigators and their families.

At a time when public funds and unions are under extreme pressure to do more with less, Phil has been able to improve benefits for his members through sound financial investments.

A graduate of St. John’s University’s, College of Business Administration he holds a BS in Accounting. He has also successfully completed International Foundation of Employee Benefit Plans Portfolio Concepts and Management Program at the Wharton School and is a graduate of the Administrators Masters Program.

An avid golfer, Yankee, Giant and St. John’s basketball fan, Phil lives in Malverne, New York with his three adult children. Alison is a graduate of Cornell University, Krista graduated from Boston College and Nicholas is a graduate of Binghamton University.

Bill Maye has recently accepted the position of Executive Vice President, Sales and Marketing for Sele-Dent, Inc., a complete dental PPO with clients locally, regionally and nationally in labor, corporate, and government entities. Bill was formally the Fund Administrator for Teamster Local 282 Trust Funds for over fifteen years and prior to that in the same position for Teamster Local 445 for many years. Bill brings a wealth of experience in benefits administration to his new position. In addition, Bill previously served as Secretary of the Association of Benefit Administrators. He can be reached by email at bmaye@sele-dent.com.

NOTICE TO ALL RECIPIENTS OF INSIGHTS NEWSLETTER

In an effort to become more environmentally conscious, it is the goal of the ABA to drastically reduce the number of newsletters printed and mailed by offering the recipients of this publication an e-mail only version.

PLEASE HELP US GO GREEN!!!

Visit the ‘News Alert Signup’ page on our website at www.assocbenadmin.com and complete the online form INCLUDING THE E-MAIL ADDRESS where you would like the electronic version of our newsletter sent. Upon completing the online form, our website will automatically send you a confirmation subscribe request to which you MUST respond before your request can be finalized.
ATTENTION ALL MEMBERS!!

EACH ISSUE OF INSIGHTS FEATURES A COLUMN DUBBED "SPOTLIGHT"

THIS COLUMN IS OPEN TO ALL REGULAR AND ASSOCIATE MEMBERS OF THE ABA.

THIS SEGMENT HIGHLIGHTS THE MEMBER’S CAREER IN THEIR RESPECTIVE FIELD AS EITHER A FUND ADMINISTRATOR OR SERVICE PROVIDER.

INTERESTED MEMBERS SHOULD CONTACT TOM MACKELL AT (202) 297-1935.

The ABA is pleased to offer the Rx Well Card discount prescription program. Visit our website at www.assocbenadmin.com to download your copy of the card from our home page. Print the card and take it to your pharmacy to take advantage of discounts on prescriptions. Links are also provided on the website for the following: (1) search for medications and calculate pricing, (2) locate pharmacies in a desired area and (3) frequently asked questions.

Cut out the card below to start saving 10% to 85% on prescription costs

Simply present this card along with a valid prescription at a participating pharmacy and discounts will be applied.

Try the card out today and maximize your savings!

Sample Savings

<table>
<thead>
<tr>
<th>Medication</th>
<th>Average Retail Price</th>
<th>Discounted Price</th>
<th>YOU SAVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simvastatin (generic Zocor) 20 mg, 30 day supply</td>
<td>$77.04</td>
<td>$13.71</td>
<td>$63.33</td>
</tr>
</tbody>
</table>

* This is an example of savings — pricing subject to change without notice and may vary by provider and location.

Visit www.rxwellcard.com or call 1.877.459.8474 to locate a pharmacy near you or to learn about our mail order services and other valuable discount healthcare products. If you would like additional cards, download them for free at www.rxwellcard.com.

Discount Program. This is NOT Insurance.

LETTER TO THE EDITOR

Tom:
It was great to see you yesterday. You looked great — sparkling.

As I said yesterday, thanks for your thinking and passion. You inspire thinking and action!

Best wishes for a successful year!

— Diane Bratcher
WELCOME NEW MEMBERS!!!

BETTY ALSOBROOKS
ULLICO, Inc.
1625 Eye St. NW, 5th Floor
Washington, DC 20006

MICHAEL FINA
First Trade Union Bank
2020 Lakeville Road
New Hyde Park, NY 11040

MURRAY FISCHER
Legal Shield
16440 NE 29 Avenue
N. Miami Beach, FL 33160

ANTHONY FRANCO
United Plant & Production Workers, Local 175
88 Mineola Avenue
Roslyn Heights, NY 11577

EDWARD KELLY
Professional Firefighters of Massachusetts
2 Center Plaza, Suite 4M
Boston, MA 02108

TED KING
United Labor Benefits
65 Willowbrook Boulevard
Suite 416
Wayne, NJ 07470

JACK LEPETICH
Empire Blue Cross Blue Shield
One Liberty Plaza, 14th Floor
New York, NY 10006

STEPHEN MENENDEZ
United Labor Benefits
65 Willowbrook Boulevard
Suite 416
Wayne, NJ 07470

LOIS RICCOBONO
Mutual Inc.
3505 Veteran Memorial Highway
Ronkonkoma, NY 11779

SUSETTE STONE
Soft Drink & Brewery Workers
Local 812
445 Northern Boulevard
Suite 30
Great Neck, NY 11021

BART WEINSTEIN
Intercontinental Real Estate Corp
1270 Soldiers Field Road
Boston, MA 02135