

Torres Rojas, Genara

FOIA#13357

From: Tuesday, July 24, 2012 8:56 AM
Sent: Duffy, Daniel
To: Torres Rojas, Genara; Van Duyne, Sheree
Cc: Freedom of Information Online Request Form
Subject:

Information:

First Name: Lawrence
Last Name: Hofrichter
Company: Not Applicable
Mailing Address 1:
Mailing Address 2:
City:
State:
Zip Code:
Email Address:
Phone:
Required copies of the records: Yes

List of specific record(s):

Correspondence between the Port Authority and the New York State Comptroller regarding payments under a 2002 longevity program payments began in 2003 to 11 individuals, including the May 16, 2012, letter from the State Comptroller to the Port Authority and the Port Authority's response to that letter and the Port Authority's prior responses to the State Comptroller's inquiries which led to the State Comptroller's conclusions, as well as all materials related to the creation of the 2002 longevity program and any Port Authority records of release of information to Shawn Boburg and/or the Record relating to the State Comptroller's decision and the 2002 longevity program.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

September 5, 2013

Mr. Lawrence Hofrichter

Re: Freedom of Information Reference No. 13357

Dear Mr. Hofrichter:

This is a response to your July 24, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of correspondence between the Port Authority and New York State Comptroller regarding payments under a 2002 longevity program, including the May 16, 2012 letter from the State Comptroller to the Port Authority and the Port Authority's response to that letter and the Port Authority's prior responses to the State Comptroller's inquires which led to the State Comptroller's conclusions, as well as all materials related to the creation of the 2002 longevity program and any Port Authority records of release of information to Shawn Boburg and/or The Record relating to the State Comptroller's decision and the 2002 longevity program.

Material responsive to your request for correspondence between the Port Authority and the New York State Comptroller related to payments made under a 2002 longevity program and materials related to the creation of the longevity program and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/13357-O.pdf>. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to exemptions (1) and (5) of the Code.

We have searched our files and found no records responsive to your request concerning the release of information to Shawn Boburg or The Record relating to the State Comptroller's decision and the 2002 longevity program.

Very truly yours,



Daniel D. Duffy
FOI Administrator

225 Park Avenue South, 17th Floor
New York, NY 10003
T: 212 435 3642
F: 212 435 7555

**NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM –
CHAPTER 69 OF THE LAWS OF NEW YORK, 2002 - 2002 RETIREMENT
INCENTIVE PROGRAM**

In May, legislation was adopted in New York (Chapter 69, Laws of New York, 2002 (the Legislation)) enabling employers participating in the New York State and Local Employees' Retirement System (the Retirement System), including the Port Authority, to adopt (for Part A of the Legislation) and implement (for Part B of the Legislation) temporary retirement incentives intended to achieve cost-savings for public employers and avoid layoffs of public employees in this time of fiscal need.

Under Part A of the Legislation, a retirement incentive can, at the discretion of the Port Authority, be made available to non-police employees continuously employed since February 1, 2002, who are at least 50 years of age and have ten years of credited service or who are otherwise currently eligible to retire. This incentive is similar to those authorized by the Legislature and implemented by the Port Authority each year from 1995 through 2000. While the additional pension benefits under Part A are subject to reductions for those under 55 and to certain tax law restrictions and reductions, eligible employees who voluntarily choose to retire at this time would, generally, receive an additional one month of Retirement System credited service for each year of service, up to a maximum additional Retirement System credit of three years. Employees eligible for any other lump-sum retirement incentive payments (such as severance allowances) from the Port Authority would not be eligible for this Retirement System incentive unless they waive their eligibility for such lump-sum payments.

Part A of the Legislation is intended to assist employers seeking to achieve economy, consolidation or abolition of functions, curtailment of activities or otherwise, and requires achievement of cost savings, a plan for which must be available. The period in which individual employees may elect to retire with the retirement incentive must be of no less than 30 and no more than 90 days' duration, and must not extend beyond December 31, 2002. The employer may elect to pay for the costs of this incentive in one installment or in five annual installments to be set by the Retirement System, commencing during the Retirement System's fiscal year ending March 31, 2004.

Under Part A of the Legislation, eligible positions may include those for which the abolition of a specified number of positions in the title would not "unacceptably," in the determination of the chief executive officer (here, the Executive Director),

- “a. Directly result in a reduction of the level of service required or mandated to protect and care for clients of the state or a participating employer or to assure public health and safety;
- b. Endanger the health or safety of employees of the state or a participating employer; or

- c. Clearly result in a loss of significant revenue to the state or a participating employer or result in substantially increased overtime or contractual costs.”

Titles may also be considered eligible if employees subject to layoff may be placed therein. Staff will seek to identify eligible job titles and positions meeting the requirements of Part A of the Legislation and the Port Authority’s goals. Finally, the Executive Director would also have staff prepare a list of eligible titles and positions and a plan of savings, as described above, which might avoid some job eliminations.

In the interim, the Executive Director recommended that the Port Authority take the formal steps necessary to participate in Part A of the 2002 retirement incentive and that he be authorized to implement such a program, contingent on his determination, following compilation of information by staff, that such a program would be in the best interests of the Port Authority and achieve appropriate staff reductions, reorganization or economies. To provide for administrative procedures and planning in a timely fashion, the implementation of this program, should the Executive Director decide to pursue it, would be scheduled during the period from December 1, 2002 through December 31, 2002, inclusive. Under Part A of the Legislation, a resolution authorizing implementation of the program must be adopted on or before August 31, 2002. In addition, an agency’s chief executive officer must advise the Retirement System of such resolution.

The Legislation also provides, in Part B, for another retirement incentive: non-police employees continuously employed since February 1, 2002, who are at least 55 years of age and have at least 25 years of credited service may voluntarily choose to retire during an “open period” without reduction of retirement benefit otherwise required by New York’s Retirement and Social Security Law. Under Part B of the Legislation, the only reason for denying the benefits of the program to an otherwise eligible employee is if the participating employer’s chief executive officer (here, the Executive Director) or governing board (here, the Board of Commissioners) determines (and notifies the Retirement System) that

“the employee holds a position that is deemed critical to the maintenance of public health and safety.”

An employee eligible for both the Part A and Part B benefits (that is, if the “open periods” for both programs overlap) is to receive the higher of the two.

Part B of the Legislation provides that the period in which individual employees may elect to retire without reduction of benefit is to be of 90 days’ duration, not extending beyond March 31, 2003. In this connection, the Executive Director recommended that the Port Authority fix the period for the Part B benefit as the 90 days from September 1, 2002, through November 29, 2002, inclusive.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Kushner, Mack, Martini, Philibosian, Pocino, Sinagra and Song voting in favor, none against:

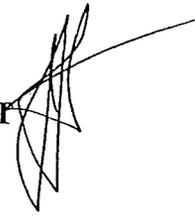
RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to perform all acts and to make any and all determinations necessary or appropriate in connection with the implementation, effectuation, administration, or any other aspect of the retirement incentive programs under Chapter 69, Laws of New York, 2002, including, without limitation, determining eligible titles (and the number of positions therein) to be covered by such a program under Part A of Chapter 69 and the development of any compensation savings plan in connection therewith, and determining the positions, titles, or employees who may be denied eligibility under the standards of Part A or Part B of Chapter 69 and, subject to approval as to form by General Counsel, to file any necessary or appropriate documents, affidavits, certifications, and forms; and it is further

RESOLVED, that The Port Authority of New York and New Jersey does hereby elect to provide the benefits of Part A of Chapter 69 of the Laws of New York, 2002, commencing on December 1, 2002, for all eligible employees who retire with an effective date of retirement set during the thirty-one day period beginning with and immediately following the commencement date and who are otherwise eligible as specified by Part A of Chapter 69, Laws of New York, 2002; and it is further

RESOLVED, that The Port Authority of New York and New Jersey does hereby elect to provide the benefits of Part B of Chapter 69 of the Laws of New York, 2002, commencing on September 1, 2002, for all eligible employees who retire with an effective date of retirement set during the 90-day period beginning with and immediately following the commencement date and who are otherwise eligible as specified by Part B of Chapter 69, Laws of New York, 2002.

TO: A. Paul Blanco, Acting Chief of Planning & Development/Director, Economic Development Department
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra



Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:



A. Paul Blanco

12/10/02
Date

TO: Bruce D. Bohlen, Director, Treasury Department
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT



COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLEERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 6% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

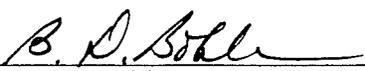
In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

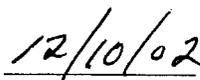
Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Bruce D. Bohlen


Date

THE PORT AUTHORITY OF NY & NJ

MEMORANDUM

TO: Ernesto L. Butcher, Chief Operating Officer
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly, should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Ernesto L. Butcher

12/10/02
Date

TO: Anthony G. Cracchiolo, Director, Priority Capital Programs Department
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5.5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

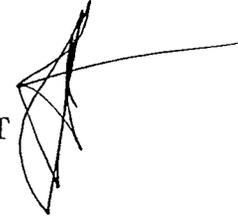
Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Anthony G. Cracchiolo


Date

TO: Jeffrey S. Green, General Counsel
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT



COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 11% longevity allowance for year 2003 and a 13% longevity allowance for year 2004, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

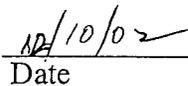
I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:



Jeffrey S. Green



Date

TO: Lawrence S. Hofrichter, Deputy General Counsel, Administrative Matters
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT



COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

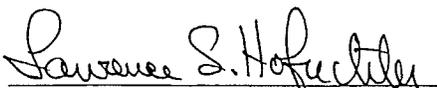
In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Lawrence S. Hofrichter

12-11-02
Date

TO: Edward L. Jackson, Director, Financial Services Department
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra



Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 4.5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

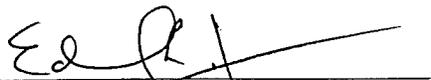
In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

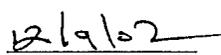
Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Edward L. Jackson


Date

TO: Louis J. LaCapra, Chief Administrative Officer
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green



Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 6% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Louis J. LaCapra

10 Dec 02
Date

TO: Francis J. Lombardi, Chief Engineer
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT



COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

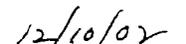
Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Francis J. Lombardi


Date

THE PORT AUTHORITY OF NY & NJ

MEMORANDUM

TO: Charles F. McClafferty, Chief Financial Officer
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT



COPY TO: M. DeCotiis, J.S. Green

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

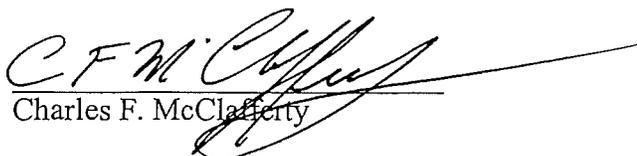
In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


Charles F. McClafferty

12/10/02
Date

TO: John F. Spencer, Deputy Chief Engineer
FROM: Joseph J. Seymour
DATE: December 9, 2002
SUBJECT: CONTINUED PORT AUTHORITY EMPLOYMENT

COPY TO: M. DeCotiis, J.S. Green, L.J. LaCapra

Please be advised that I have determined that your retirement at this time under Part A of the 2002 Retirement Incentive Program of the New York State and Local Employees' Retirement System (NYSLERS) would not be consistent with the present needs of the Port Authority and that you will not be eligible for the New York State retirement incentive if you choose to retire during December 2002.

Given concerns raised by the Board about the loss of key staff, and in consideration of your not retiring during December 2002 and to prevent you from being unfairly treated, the Board has authorized me to develop a program designed to provide a limited number of staff members with a "parity" benefit. This parity benefit is to be a 5% longevity allowance, payable bi-weekly. Accordingly; should you remain employed for three additional years, your pension calculation (exclusive of amounts reflecting additional service credits or salary increases) would be roughly equivalent to the calculation if you had been eligible to retire with the incentive at the present time.

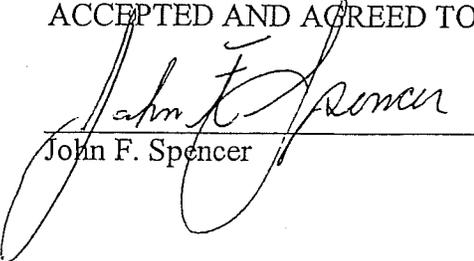
In order for you to qualify for these longevity allowance payments, you agree to remain in Port Authority service and employment after December 31, 2002. You should be aware, however, that this does not mean that you will continue to hold your position during the next three years, nor is it a guarantee of re-election to your office (if you are an officer of the Port Authority or one of its subsidiaries). Of course, you retain the right to terminate your Port Authority employment at any time, as does the Port Authority for the causes enumerated in the Declaration of Policy of Tenure of Office, Section 1(b)i.-iv.

Except as modified herein, all other terms and conditions pertaining to your employment with the Port Authority will continue to apply.

I look forward to your continuing employment with the Port Authority.

Joseph J. Seymour
Executive Director

ACCEPTED AND AGREED TO:


John F. Spencer

12/11/02
Date

THE PORT AUTHORITY OF NY & NJ

225 PARK AVENUE SOUTH
14TH FLOOR
NEW YORK, NY 10003

LAW DEPARTMENT

JEFFREY S. GREEN
GENERAL COUNSEL

LAWRENCE S. HOFRICHTER
DEPUTY GENERAL COUNSEL
FINANCE DIVISION

(212) 435-3512
FAX (212) 435-3500

January 14, 2003

Ms. Ginger Dame, Director
Member and Employer Services Bureau
New York State and Local Employees'
Retirement System
110 State Street
Albany, New York 12244

Re: The Port Authority of New York and New Jersey
Location Code: 50023

Dear Ms. Dame:

Please accept this addendum to the list, which I provided to you on December 31, of Port Authority employees eligible under Chapter 69 of the Laws of New York of 2002, for the retirement incentive as provided for by Part A of the 2002 Retirement Incentive Program.

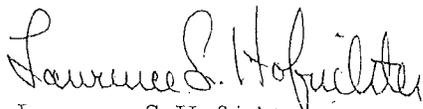
I am advised by the Port Authority's Human Resources Department these three individuals were inadvertently omitted from the list.

<u>Registration No.</u>	<u>First Name MI</u>	<u>Last Name</u>	<u>Social Security No.</u>
31480189	Eileen J	Aniskiewicz	
34002907	Robert J	Moore	
36463651	Samuel U	Simpson	

I am also advised that one individual, Mr. Wolfgang R. Pfister, Registration No. 12858502, included on the list provided to you last week has been suspended without pay since March 2002.

Please let me know if you have any problems.

Very truly yours,


Lawrence S. Hofrichter
Deputy General Counsel

April 13, 2012

Patrick J. Foye
Executive Director

The Honorable Thomas P. DiNapoli
State Comptroller
110 State Street
Albany, NY 12244

Dear Comptroller DiNapoli:

At the direction of Governors Andrew Cuomo and Chris Christie, a Special Committee of the Port Authority's Board of Commissioners was charged with conducting a comprehensive review and audit of the Port Authority's operational and financial practices and explore various opportunities for efficiency and cost containment. The Special Committee retained Navigant Inc. to conduct this independent review and audit.

Phase 1 of the audit, released in early February, focused on several areas, including compensation and benefits at the Agency. The Navigant review benchmarked compensation and benefit practices with similar New York and New Jersey agencies. During a Board of Commissioner's meeting on March 29, a series of reforms were authorized that will better align compensation practices at the Port Authority with both states. These reforms will affect non-represented employees, as represented workers are subject to collective bargaining agreements. The savings to be realized are nevertheless significant, and in some cases will directly affect compensation levels that are reported to NYSLRS. I wanted to highlight and explain these changes to you and to your office.

These recently announced measures are grouped into four major categories, as noted below:

Vacation Programs:

The Vacation Exchange Program, which was a productivity program to reward perfect attendance and established in 1992, will be discontinued for all non-represented staff effective January 1, 2013. This program required employees to make elections before the beginning of the calendar year to exchange unused vacation days for bi-weekly cash payments, which would be made over the course of the following year with the bi-weekly payments reported to NYSLRS as earnings.

In addition, effective this year, we have eliminated an Executive Management Excused Program as well as begun to phase in a revised vacation schedule for non-represented staff. Reductions in these vacation day programs range from 1 to 17 days, with an average loss of 5.3 days per employee. These new vacation schedules, which will be fully implemented by January 2013, will reduce vacation days to levels in-line with paid time off schedules of the states of New York and New Jersey. Lastly, the agency is reducing the vacation payout that is available at separation to a single year of vacation carryover for all non-represented staff, down from up to two years of vacation carryover.

225 Park Avenue South, 15th Floor
New York, NY 10003
T: 212 435 7271 F: 212 435 6670

The Honorable Thomas P. DiNapoli
April 13, 2012
Page 2

We project the following vacation program savings in 2012 and 2013, with additional savings to be achieved in the years beyond:

Total 2012 vacation savings: \$ 482,408

Total 2013 vacation savings: \$11,937,482

Compensation Programs:

Effective July 2012, the Port Authority is eliminating certain add-on compensation programs. Add-on compensation is pay that has been received by employees in excess of their base salaries and, in at least one case, is a legacy program that dates back decades. Such add-ons fall within the following six program areas:

1. FICA Benefit: Begun in 1969, this program allowed employees the option to receive annual payment equal to the amount of their FICA liability in that year (in lieu of a base salary increase in 1969).
2. Group Term Life Insurance II (aka "Death Gamble"): In 2001, the Port Authority provided additional life insurance to Tier I employees to address a potential reduction in benefit for their beneficiaries should the employee die in active service. The add-on compensation was the result of the agency paying these employees an amount equal to the imputed value of the additional life insurance.
3. Retention Program (Longevity I): This targeted retention program was authorized in 2002 to retain certain key executives following the terrorist attacks of 9/11.
4. Career Service Plan (Longevity II): This career service program was authorized in 2009 to provide payments to non-represented staff with 25 or more years of service in recognition of their long-term commitment and sustained performance to the agency
5. Police Superior Longevity: Payments that have been made to Police Superior staff (at the rank of Captains and above) based on years of service.
6. Police Superior Cumulative Retirement Days: This productivity program allowed Police Superior staff (at the rank of Captains and above) to earn two days for each year of perfect attendance and cash-out the value of these carryover days upon separation from the agency.

We project the following compensation savings in 2012 and 2013, with additional savings to be achieved in the years beyond:

Total 2012 compensation savings: \$1,154,416

Total 2013 compensation savings: \$2,108,812

Healthcare:

Effective this month, all non-represented employees will contribute toward the cost of their healthcare. While the agency had implemented healthcare contributions for non-represented staff in July 2005, it applied to new hires only. This reform measure will institute contributions for all

The Honorable Thomas P. DiNapoli
April 13, 2012
Page 3

non-represented staff, with contribution rates based on salary and type of coverage. The contribution schedule will be phased in over a four-year period with employees at the highest salary levels contributing 35% of the cost of the premium in year four.

The agency has also implemented changes to the ongoing management and oversight of various healthcare contracts. These changes involve maximizing financial discounts by opting into certain provider networks as well as capitalizing on all opportunities for federal benefits-related reimbursements. The Port Authority also plans to offer our employees lower cost health plan alternatives effective January 2013. We project these savings based on expected migration of employees moving from more costly to less costly alternatives.

We project the following healthcare savings in 2012 and 2013 , with additional savings to be achieved in the years beyond:

Total 2012 healthcare savings: \$8,401,400

Total 2013 healthcare savings: \$8,697,400

Additional Savings:

Effective immediately, we are maximizing the available skill sets of our employees as well as past investments in our human capital by better aligning existing staff against authorized positions and vacancies. With each staff placement yielding, on average, a savings of \$100,000, and based on our expected placement opportunities through 2013, we expect to realize the following savings:

Total 2012 savings: \$3,500,000

Total 2013 savings: \$2,400,000

Effective this month, we will be eliminating the PATH Passes for Free Travel Program for personal and commutation travel for non-represented staff and retirees, with savings estimated at the following levels for 2012 and 2013, and recurring in later years:

Total 2012 savings: \$170,449

Total 2013 savings: \$255,674

Lastly, because of changes to certain add-on compensation programs, eliminating the vacation exchange program, and efforts from improved staffing against authorized positions, the Port Authority will realize a reduction in employer payments to NYSLRS because of an overall reduction in earnings and size of our labor force. These savings are estimated as follows:

Total 2012 savings: \$ 728,587

Total 2013 savings: \$1,300,785

The Honorable Thomas P. DiNapoli
April 13, 2012
Page 4

The total level of savings for these changes are in excess of \$41 million through 2013 alone. The Port Authority of New York and New Jersey, like others, has been impacted by difficult economic realities and been required to respond to a new fiscal environment that calls for a more judicious management of resources. We look forward to keeping you apprised with respect to other changes that will further align the agency with both states, and help us deliver projects and services to the travelling public more effectively and efficiently.

Sincerely,



Patrick J. Foye
Executive Director

CC: The Honorable Pete Grannis, First Deputy Comptroller



Office of the New York State Comptroller
Thomas P. DiNapoli
New York State and Local Retirement System
Employees' Retirement System
Police and Fire Retirement System
110 State Street, Albany, New York 12244-0001

Phone: 518-486-3481
Fax: 518-486-3117
Email: tnitido@osc.state.ny.us
Web: www.osc.state.ny.us/retire

Thomas Nitido, Deputy Comptroller

May 16, 2012

Patrick Foye
Executive Director
Port Authority of New York & New Jersey
225 Park Avenue South 15th Fl
New York NY 10003

Dear Mr. Foye:

We received and reviewed the explanation of certain payments made to current and/or former employees of the Port Authority.

Payments labeled "Longevity 1" were made to 11 current and former employees of the Port Authority (listed below). It is our understanding that these payments were originally intended to compensate key staff who did not participate in the 2002 retirement incentive so as to provide them with an equivalent level of retirement benefits. Essentially, the payments were a retention bonus for such employees who promised to forego retirement during the 2002 retirement incentive program and, instead, retire at a future date. As such, the additional compensation was paid in anticipation of their eventual retirement. Furthermore, we note that unlike regular longevity payments that are includable in the calculation of final average salary, these payments were not based on the length of time worked for the Port Authority. Accordingly, the "Longevity 1" payments are not pensionable and cannot be used in the calculation of retirement benefits.

<u>Employee name</u>	<u>Registration number</u>	<u>Date of retirement</u>
John Spencer	11849353	9/27/2003
Bruce Bohlen	10336972	8/21/2004
Jeffrey Green	08834939	10/2/2004
Anthony Cracchiolo	11258290	1/7/2006
Edward Jackson	20141164	3/18/2006
Charles McClafferty	12556072	9/1/2006
Francis Lombardi	12324786	10/30/2010
Aaron Blanco	12558409	11/13/2010
Ernesto Butcher	12491338	4/16/2012

Louis LaCapra
Lawrence Hofrichter

07903677
12491353

7/7/2012
N/A

Please submit adjustments to remove these payments. Since you report to us through the internet, you can submit any required adjustments to uselectronically. For assistance with the Internet adjustment process, please contact our Reporting Unit at 518-402-2603. The Port Authority will receive a credit on their 2014 Annual Invoice for the amount of contributions plus interest associated with the removal of these payments.

Please let me know if I can provide you with any other information.

Sincerely,



Thomas Nitido

TN/NM/dr

THE PORT AUTHORITY OF NY & NJ

July 5, 2012

Ms. Lisa Kiley,
Office of the New York State Comptroller
New York State and Local Retirement System
Employees' Retirement System
110 State Street
Albany, New York 12244-0001

Dear Ms. Kiley:

Attached is the breakout of the components for the earnings previously reported to the retirement system as L11 issued to certain Port Authority employees dating as far back as January 1, 2003.

Please feel free to contact me if you have any further questions.



Thomas D'Alessio
Payroll Manager

ID	Name	Active Retirement #	Post Retirement #	Earn Code	L11_Total Reported	Incentive/Re tention	Longevity
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09815	Alwell,Robert F	10321214		L11	7,273.22	-	7,273.22
20058	Blanco,Aaron P	12558409		L11	103,899.30	84,920.62	18,978.68
11374	Bohlen,Bruce D	10336972		L11	16,960.93	16,960.93	-
10100	Bolognese Jr,Paul N	08928335		L11	8,195.34	-	8,195.34
06992	Borelli,Martin P	07834773		L11	9,996.48	-	9,996.48
10742	Buma,Kenichi	10712081		L11	1,909.44	-	1,909.44
19624	Butcher,Ernesto L	12491338		L11	139,588.72	104,729.92	34,858.80
08971	Caggiano,Patrick G	08406308		L11	4,555.64	-	4,555.64
34473	Cancro,George L	35160514		L11	4,418.90	-	4,418.90
15780	Cracchiolo,Anthony G	11258290		L11	30,838.14	30,838.14	-
08025	Cummiskey,Gerard M	08195166		L11	3,099.94	-	3,099.94
09811	Green,Jeffrey S	08834939		L11	41,415.24	41,415.24	-
19966	Hofrichter,Lawrence S	12491353		L11	108,286.27	80,983.80	27,302.47
20189	Jackson,Edward L	20141164	0S7802410	L11	22,146.42	22,146.42	-
04449	Kelly,J Joseph	06169726		L11	5,201.92	-	5,201.92
07419	LaCapra,Louis J	07903677		L11	203,584.98	130,457.99	73,126.99
19663	Lombardi,Francis J	12324786		L11	104,369.60	85,778.24	18,591.36
20055	McClafferty,Charles F	12556072		L11	14,445.59	14,445.59	-
10680	Milhaven,Richard J	09317470		L11	4,875.32	-	4,875.32
11603	Monteverde,Edwin E	11093291		L11	6,231.94	-	6,231.94
03672	Pachter,Milton H	05255443	0S8945540	L11	19,354.08	-	19,354.08
06088	Pflug,Francis D	09768565		L11	8,872.52	-	8,872.52
07592	Reinhardt,Marianne P	07941115	0S8947980	L11	12,300.18	-	12,300.18
06852	Segalini,Paul D	07804487		L11	13,808.38	-	13,808.38
09828	Smith,Matthew G	08836918		L11	8,335.88	-	8,335.88
15649	Spencer,John F	11849353		L11	6,249.30	6,249.30	-
Grand total					910,213.67	618,926.19	291,287.48