

# RETIREE



# BULLETIN

## BAY AREA RETIREE CHAPTER

### INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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MEETINGS 1<sup>st</sup> WEDNESDAY AT 10:00 a.m. ♦ FEB - APR - JUNE - AUG - OCT - DEC  
August, 2016



### MEETING NOTICE

Our August General Membership meeting will be on Wednesday, August 3, 2016 at 10:00 a.m. The meeting will be at Local 79's union hall located at 5818 E. MLK Blvd., Tampa, FL 33619. After the meeting we will have our covered dish luncheon. Bring your spouse or guest and a covered dish or something good to eat from the grocery store or deli and enjoy being with your fellow Teamster retirees.

### IBT 29<sup>th</sup> CONVENTION

The IBT's 29 convention in Las Vegas ran from Monday, June 27, thru Friday, July 1, and for the first time in many years I cannot give you a personal knowledge report on how it was. I wasn't there but I hear it was the usual lively affair. If you want more information about it, you can go to [Teamster.org](http://Teamster.org), the IBT website and get a day by day report on the entire convention.

### CENTRAL STATES PENSION

The U.S. Government Accountability Office announced that they will probe investment decision-making at CSPF. The move is in response to a request by both houses of Congress. A congressional letter to the GAO set forth

eight concerns representatives wanted to have probed. The areas to be probed are whether or not investment decisions were affected by conflicts of interest, how the pension fund allocated its investments, how investment strategies were modified based on employer withdrawals and industry deregulation, and the extent to which interests of CSPF board of trustees or investment committee factored into investment strategies and decisions.

The fund, which had \$16.4 billion in assets at the end of 2015, is in "critical and declining" status meaning it is less than 65% funded and is not projected to improve. If things don't change for the fund, it will be insolvent by 2025, according to documents on its website. According to Charlie Jeszeck, director of Education, workforce and income security issues at the GAO, they have assigned some staff and is developing a methodology for the inquiry. The Department of Labor will be asked to cooperate with information but will not be an active participant in the conduct of the probe, Jeszeck said.

Central States operates under a consent decree concluded with the federal government in 1982 that aimed to end organized crime's role in the pension fund's investments. That decree gives the DOL power to vet Central States' investment – head candidates.

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The above information (on page 1) was obtained from an article in *The Kansas City Star*.

When you read this information one thing really leaps to mind. The last part of that article states an overlooked fact. The DOL had the power and authority under the consent decree to oversee the investments made. Keep in mind that the consent decree also turned our investment strategy over to the Wall Street bankers. Where was the DOL supervision then? Why didn't they watch their investments of our pension money as much as they did our old way? By the way, the "old way" made money. How many of you read the article about how Wall Street made our money "disappear faster than the mob did"? Check out some of the investments they were making. I will try to get more copies before the August meeting so you can read them.

It is my firm belief that the government has some responsibility to bail out some pension funds that were using Wall Street bankers. They bailed out some of the banks and investment firms that were the main cause of the market crash that took a lot of our money.

## **SOCIAL SECURITY**

You often hear from Congress that our so called "entitlement", Social Security, is a very large portion of our general budget and how it is eating up the taxpayer's tax money. If you have been around long enough to draw Social Security you should also know that the government "borrows" from Social Security often. Now how does that make it part of the general budget? The only way any of the borrowed funds are paid back is paying our Social Security with

our money they borrowed. Wow! Talk about a Ponzi scheme.

Now to the present, did you see the Social Security's board of trustees annual report they released in June? The report shows that Social Security's surplus is \$2.8 trillion and growing, and that less than one penny on every dollar is being spent on administration costs. Yet Wall Street billionaires and some Republicans in Congress will distort this report and renew their calls to, dismantle our S.S. system brick by brick. They think Social Security's average annual benefit of just \$14,375 is too generous.

If they want to check into something too generous, look at where so many seniors have to spend much of that money.

Year after year, the cost of prescription drugs increases by double digits-10% last year and 12% in 2014. But seniors and Americans with disabilities aren't getting double digit cost of living increases to keep up.

That means that these massive drug price hikes are a de-facto cut to Social Security checks – and Big Pharma billionaires are pocketing the profits. This is theft of our earned benefits! The American people can't stand for these abuses any longer. With a big election coming up, we have an opportunity to fight the pharmaceutical industry head-on at the ballot box.

On average, 37% of each Social Security check goes toward out of pocket health care cost, and a huge part of these costs are drug prices. This has devastating consequences for Americans around the country. 20% of the population, 35 million people, didn't fill a prescription because they could not afford to.

There is no reason for this to happen in

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the United States, the wealthiest country in the history of the world! No one should have to choose between putting food on their table and taking medicine they need to stay healthy.

In 2013, the United States spent nearly 40% more per person on prescription drugs than Canada, the next most expensive industrialized nation.

**WE MUST FIGHT BACK!**

## **1,000 WORKERS OR ONE CEO**

Cutting a single executive can sometimes be as costly as cutting an army of workers.

McKesson Corp. said in March it would dismiss 1,600 workers in the U.S. and expects the departures will cost about \$300 million, mostly in severance payments. Chief Executive Officer John Hammergren is staying put, which might be just as well for the drug distributor's bottom line.

If Hammergren is terminated or leaves for good reason, he'll be eligible for severance and benefits worth about \$187 million. Put another way, his potential exit payment is roughly equal to the cost of cutting 1,000 of the company's workers.

"The staggering ratio is yet further evidence that McKesson is being run first and foremost for Hammergren, with the shareholders, employees and customers left far behind," said Ken Hall, General Secretary-Treasurer of the IBT, which counts McKesson employees among its members. The union has filed a shareholder proposal asking the board to restrict the vesting of executives' unearned equity compensation if the company is bought.

Hammergren's potential exit package, valued as of March 31, is the second

largest among CEO's at companies in the S&P 500 Index. It includes a pension that was reduced by 30% to \$114 million in 2014 after a majority of shareholders voted against the executive pay program in the prior year. He is also eligible for medical benefits, access to an office, a secretary and financial counseling for the remainder of his life.

Is it any wonder we pay so much for our medicines?

## **POLITICS**

The GOP convention started on Monday and the TV's have lit up with more garbage than before. Even Facebook has got into the act with pictures of Trump's wife posing nude or semi-nude when she was a model. I don't even want to know what's next.

I like the old ways, speeches in the park, fish fries, politicians kissing babies and shaking so many hands that their own hands became swollen. The same old lies were told but a little more civil. They told you things that they were going to do, or at least try and it was done in a more of a believable way. The people in the crowd talked among themselves and decided what they thought was true and what wasn't. Oh but there was some mud-slinging but with a little common sense you could sort it all out. Really now, who cared, we were hungry and, oh man, that fish and grits was good. If the candidate had some good money, there was even some cold drinks for Mom and the kids and cold beer for Dad. Some of us kids knew who we could go to for a few sips of that beer. Ah yes, the good old days.

**Regardless, don't forget to vote! Do not give up your precious right to cast that ballot for your choice.**

**Bay Area Retiree Chapter**  
**5818 E Martin Luther King Blvd.**  
**Tampa, Florida 33619**



To Serve and Improve  
Our Members Life

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**THIS IS A VERY  
IMPORTANT YEAR!  
ONE FOUR LETTER  
WORD IS ALL YOU  
NEED TO KNOW!  
VOTE! VOTE! VOTE!**