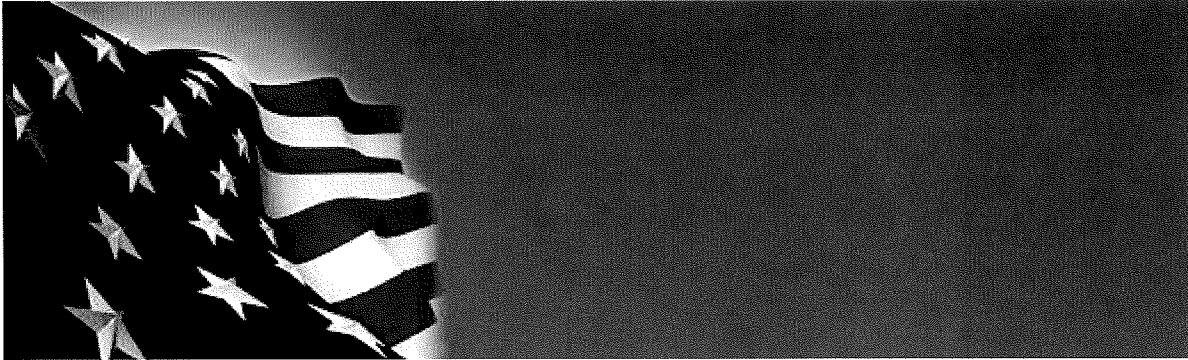


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CYPEN & CYPEN NEWSLETTER for AUGUST 7, 2014

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Stephen H. Cypen, Esq., Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

1. ECONOMIC IMPACT OF DEFINED BENEFIT PENSION EXPENDITURES: National Institute on Retirement Security has issued *Pensionomics 2014*. Defined benefit pension benefits not only provide a secure source of income for many retired Americans, they also contribute substantially to local, state, and national economies. DB pensions play a vital role in sustaining consumer demand that ultimately supports millions of jobs. Virtually every state and local economy across the country benefits from spending of pension checks. For example, when a retired nurse residing in the state of Wisconsin receives a pension benefit payment, he spends the pension check on goods and services in the local community. He purchases food, clothing and medicine at local stores, and may even make larger purchases like a car or laptop computer. These purchases, combined with those of other retirees with pensions, create a steady economic ripple effect. In short, pension spending supports the economy, and supports jobs where retirees reside and spend their benefits. Pension expenditures may be especially vital to

small or rural communities, where other steady sources of income may not be readily found if the local economy lacks diversity. Additionally, reliable pension income can be especially important not only in providing retirees with peace of mind, but in stabilizing local economies during economic downturns. Retirees with DB pensions know they are receiving a steady check, despite economic conditions. In contrast, retirees may be reluctant to spend out of their 401(k)-type accounts if their savings are negatively impacted by market downturns. To the extent that DB pensions provide retirees with steady income available for spending, regardless of fluctuations in the stock market, DB pensions may play a stabilizing role in the economy, like Social Security. This study analyzes data on DB pension plans in both the public and private sectors to assess overall national economic impact of benefits paid by these plans to retirees. For state and local government plans, the report also analyzes these impacts at the state level for each of the 50 states and the District of Columbia. The economic gains attributable to DB pension expenditures are considerable. This study finds that in 2012:

- Nearly \$477 billion in pension benefits were paid to 24 million retired Americans, including:
 - \$228.5 billion paid to some 9.0 million retired employees of state and local government and their beneficiaries (who are typically surviving spouses);
 - \$70.7 billion paid to some 2.5 million federal government beneficiaries;
 - \$175.6 billion paid to some 12.7 million private sector beneficiaries.

- Expenditures made out of those payments collectively supported:
 - 6.2 million American jobs that paid nearly \$307 billion in labor income;
 - \$943 billion in total economic output nationwide;
 - \$555 billion in value added (GDP);
 - \$135 billion in federal, state, and local tax revenue.

- DB pension expenditures have large multiplier effects:
 - Each dollar paid out in pension benefits supported \$1.98 in total economic output nationally.
 - Each taxpayer dollar contributed to state and local pensions supported \$8.06 in total output nationally. The foregoing represents the leverage afforded by robust long term investment returns and shared funding responsibility by employers and employees.

- The largest employment impacts occurred in the food services, real estate, health care, and retail trade sectors.

For specific data on Florida, see next item.

2. IMPACT ON FLORIDA OF DB PENSION EXPENDITURES:

Benefits paid by state and local pension plans support a significant amount of economic activity in the state of Florida. Pension benefits received by retirees are spent in the local community. This spending ripples through the economy, as one person's spending becomes another person's income, creating a multiplier effect. In 2012, expenditures stemming from state and local pensions supported:

- 99,520 jobs, which paid \$4.4 billion in wages and salaries.
- \$13.4 billion in total economic output.
- \$1.9 billion in federal, state, and local tax revenues.

Each dollar paid out in pension benefits supported \$1.80 in total economic activity in Florida. Each dollar "invested" by Florida taxpayers in these plans supported \$4.90 in total economic activity in the state.

3. STATUS OF THE MEDICARE PROGRAM: Each year the Trustees of the Social Security and Medicare trust funds report on the current and projected financial status of the two programs. The following summarizes the 2014 Annual Medicare Report (See C & C Newsletter for July 31, 2014, Item 7 for a summary of the 2014 Annual Social Security report). In 2013, Medicare covered 52.3 million people: 43.5 million aged 65 and older, and 8.8 million disabled.

About 28 percent of these beneficiaries have chosen to enroll in Part C private health plans that contract with Medicare to provide Part A and Part B health services. Total expenditures in 2013 were \$582.9 billion, and, for the second year in a row, per beneficiary costs were essentially unchanged. Total income was \$575.8 billion, which consisted of \$564.1 billion in non-interest income and \$11.7 billion in interest earnings. Assets held in special issue U.S. Treasury securities decreased by \$7.1 billion to \$280.5 billion.

Short Range Results.

The estimated depletion date for the HI trust fund is 2030, 4 years later than was shown in last year's report. As in past years, the Trustees have determined that the fund is not adequately financed over the next 10 years. HI taxable earnings in 2013 were slightly higher than last year's estimate; after 2013, however, projections of earnings throughout the period are lower mostly due to lower GDP based on lower assumptions for the GDP deflator and real GDP. HI expenditures in 2013 were significantly lower than the previous estimate, and through 2016 the projected level grows more slowly than shown in last year's report largely due to reductions in utilization assumptions, reflecting recent trends. HI expenditures have exceeded income annually since 2008 and are projected to continue doing so through 2014. The Trustees project slight surpluses in 2015 through 2022, with a return to deficits thereafter until the fund becomes depleted in 2030. In 2013, \$15.0 billion in trust fund assets were redeemed to cover the shortfall of income relative to expenditures. The Treasury also paid from the general fund \$9.3 billion in interest to the HI trust fund in 2013. The assets were \$220.4 billion at the beginning of 2013, representing about 83 percent of expenditures during the year, which is below the Trustees' minimum recommended level of 100 percent. The HI trust fund has not met the Trustees' formal test of short-range financial adequacy since 2003. Growth in HI expenditures has averaged 2.5 percent annually over the last 5 years and is projected to average 3.9 percent over the next 5 years. The SMI trust fund is adequately financed over the next 10 years and beyond because premium and general revenue income for Parts B and D are reset each year to cover expected costs and ensure a reserve for Part B contingencies. Part B and Part D costs have averaged annual growth of 6.2 percent and 7.2 percent, respectively,

over the last 5 years, as compared to growth of 2.7 percent for GDP. Under the projected baseline scenario, the Trustees project an average annual Part B growth rate of 5.7 percent over the next 5 years; under current law, the average annual Part B growth rate would instead be 4.9 percent. For Part D, the estimated average annual increase in expenditures is 9.9 percent over the next 5 years. The projected average annual rate of growth for the U.S. economy is 5.0 percent during this period, significantly slower than for Part D and slightly slower than the growth rate for Part B. The difference between Medicare's total outlays and its dedicated financing sources is not estimated to reach 45 percent of outlays in fiscal years 2014 through 2020. Therefore, the Trustees will not be issuing a determination of projected excess general revenue Medicare funding in this report. Determinations were previously made in each of the 2006 through 2013 reports.

Long Range Results.

For the 75-year projection period, the HI actuarial deficit has decreased from 1.11 percent of taxable payroll, as shown in last year's report, to 0.87 percent of taxable payroll. The 0.24 percent of payroll reduction in the actuarial deficit was primarily due to (i) lower-than-expected spending in 2013 for most HI service categories, especially for inpatient hospitals (about 0.11 percent of payroll); (ii) lower utilization assumptions for inpatient hospital (about 0.11 percent of payroll); and (iii) lower case mix increase assumptions about skilled nursing facilities and home health agencies (about 0.07 percent of payroll). Partially offsetting these favorable changes were assumptions about MA plan beneficiaries (about 0.06 percent of payroll). Part B outlays were 1.5 percent of GDP in 2013, and the Board projects that they will grow to just less than 3.2 percent by 2088 under the projected baseline scenario. These projections are lower than those in last year's report under the "alternative to SGR" scenario mostly due to (i) lower-than-expected spending in 2012 and 2013 for most types of services; and (ii) lower assumptions for volume and intensity for some types of service. The Board estimates that Part D outlays will increase from 0.4 percent of GDP in 2013 to about 1.4 percent by 2088. These outlay projections are slightly lower than those shown in last year's report primarily because (i) the projected drug cost trend for the next 10-year period is lower than last year; and

(ii) rebates are assumed to be higher throughout the projection. Transfers from the general fund are the major source of financing for the SMI trust fund and are central to the automatic financial balance of the fund's two accounts. Such transfers represent a large and growing requirement for the Federal budget. SMI general revenues currently equal 1.4 percent of GDP and would increase to an estimated 3.3 percent in 2088.

Conclusion.

Total Medicare expenditures were \$583 billion in 2013. The Board projects that expenditures will increase in future years at a somewhat faster pace than either aggregate workers' earnings or the economy overall and that, as a percentage of GDP, they will increase from 3.5 percent in 2013 to 6.9 percent by 2088 (based on the projected baseline under the Trustees' intermediate set of assumptions). Under current law, Medicare spending would represent 6.3 percent of GDP in 2088. If the reduced price increases for other health services under Medicare are not sustained and do not take full effect in the long range as in the illustrative alternative projection, then Medicare spending would instead represent roughly 8.4 percent of GDP in 2088. Growth under any of these scenarios, if realized, would substantially increase the strain on the nation's workers, the 8.4 percent of GDP in 2088. Growth under any of these scenarios, if realized, would substantially increase the strain on the nation's workers, the economy, Medicare beneficiaries, and the Federal budget.

4. WISCONSIN PUBLIC EMPLOYEE LABOR LAW AMENDMENTS

UPHELD: In March 2011, the Wisconsin Legislature passed Act 10, a budget repair bill proposed by Governor Scott Walker. The Act significantly altered Wisconsin's public employee labor laws. Act 10 prohibits general employees from collectively bargaining on issues other than base wages, prohibits municipal employers from deducting their organization dues from paychecks of general employees, imposes annual recertification requirements, and prohibits fair share agreements requiring non-represented general employees to make contributions to labor organizations. In August 2011, Madison Teachers, Inc. and Public Employees Local 61 sued Governor Walker and the three commissioners of the Wisconsin Employment Relations

Commission, challenging several provisions of Act 10. Plaintiffs alleged, among other things, that four aspects of Act 10 -- the collective bargaining limitations, the prohibition on payroll deductions of labor organization dues, the prohibition of fair share agreements and annual recertification requirements -- violate the constitutional associational and equal protection rights of the employees they represent. Plaintiffs also challenged a separate provision created by Act 10, which prohibits the City of Milwaukee from paying the employee share of contributions to the City of Milwaukee Employees' Retirement System, alleging it violates the home rule amendment to the Wisconsin Constitution. Plaintiffs argued, in the alternative, if said statute does not violate the home rule amendment, it nevertheless violates the constitutionally protected right of parties to contract with each other. The circuit court invalidated several provisions of Act 10, including the provisions relating to collective bargaining limitations, union recertifications and prohibitions on fair share agreements and payroll deductions of labor organization dues. The court of appeals certified the case to the Supreme Court, which upheld Act 10 in its entirety. First, the Supreme Court held that plaintiffs' associational rights argument is without merit. The Court rejected plaintiffs' argument that several provisions of Act 10, which delineate the rights, obligations, and procedures of collective bargaining somehow infringe upon general employees' constitutional right to freedom of association. No matter the limitations or burdens a legislative enactment places on the collective bargaining process, collective bargaining remains a creation of legislative grace, and not constitutional obligation. The First Amendment cannot be used as a vehicle to expand parameters of a benefit that does not itself protect. Second, the Supreme Court rejected plaintiffs' equal protection claim under a rational basis standard of review. The Court applies rational basis review to the plaintiffs' argument that the collective bargaining framework established by Act 10 violates the constitutional rights of general employees through disparate treatment of those who choose to bargain collectively and those who do not. Finding plaintiffs' argument to be unconvincing, the Court held Act 10 survives plaintiffs' equal protection challenge under rational basis review. Third, the Supreme Court held plaintiffs' home rule amendment argument fails because the statute primarily concerns a matter of statewide concern. Thus, the Court holds that the statute does not violate the home rule amendment. Finally, the Court held plaintiffs' contract clause claim

fails. The City of Milwaukee was not contractually obligated to pay the employee share of contributions to the Milwaukee Employees' Retirement System. Further, even if contributions paid by the city were a contractual right, the Court holds the contract was not substantially impaired by the amendment. Therefore, the Court holds that plaintiffs failed to establish beyond a reasonable doubt that the statute violates the contract clause of the Wisconsin Constitution. *Madison Teachers, Inc. v. Walker*, Case No. 2012AP2067 (WI. July 31, 2014).

5. BIG SURPRISE...PENSION SMOOTHING MAKES IT THROUGH CONGRESS: We learn from Towers Watson that the Highway and Transportation Funding Act has been passed by Congress, and is expected to be signed by the President. In addition to funding the highway trust fund through May 2015, the act provides pension funding stabilization (See C & C Newsletter for July 31, 2014, Item 8). It delays widening of the interest rate corridors under MAP-21 until 2018. The narrower corridors will cause an increase in the interest rates used for many defined benefit pension plan measurements. The effect of such higher interest rates will likely be required to be communicated to plan participants (as part of annual funding notice) by many plans. The act will result in substantial reductions in minimum required contributions for 2013 - 2017 plan years for many plan sponsors, and help some plan sponsors avoid benefit restrictions during that time. As the interest rate corridors begin to widen in 2018, required contributions are expected to increase, depending on trends in actual corporate bond yields, asset returns and other factors. Since the act would change amounts retroactively to 2013, plan sponsors are permitted to elect not to have the act apply to 2013 in order to avoid revising information already finalized and acted upon.

6. HOW MUCH SHOULD PEOPLE SAVE?: The National Retirement Risk Index shows that half of today's working families are "at risk" of not being able to maintain their standard of living once they retire. This result, according to a new issue brief from Center for Retirement Research at Boston College, is not surprising, given that half of private sector workers do not have an employer-sponsored retirement plan, and that many who do have a plan save relatively little. The question is how much households would have to save in order to maintain their pre-retirement living standards. This analysis employs

the NRRI infrastructure in a slightly different way to answer the question in three steps. What is the average amount of saving that will come from retirement savings plans? What is the average required saving rate to produce adequate retirement income? Given current saving patterns, how much more would households have to save? The discussion proceeds as follows. The first section recaps the nuts and bolts of the NRRI, and describes the target calculations that serve as the basis for this analysis. The second section describes the methodology for answering each of the three questions. The third section discusses benefits of starting to save early and retiring late. The final section concludes that a saving rate of about 15% of income would be sufficient to achieve retirement income targets. Among those households currently falling short, attaining the necessary saving rate is a much more feasible goal for younger households than for older households. (Number 14-11, July 2014).

7. THE OUTLOOK FOR SOCIAL SECURITY: Whenever the trustees report is late -- end of July as opposed to April -- the question arises whether the delay was driven by controversy and intrigue or by the inability to get six people (the Social Security Commissioner, the Secretaries of Treasury, Health and Human Services, and Labor, and two public trustees) in a room at the same time to sign the document. Well, says a recent issue brief from Center for Retirement Research at Boston College, it looks like the delay was more administrative than substantive, given that this year's report looks very much like last year's. While the 2014 Trustees Report shows a small increase in the 75-year deficit from 2.72% of taxable payroll to 2.88%, the date of trust fund exhaustion continues to be 2033. But the report is far from boring in that it confirms the disability insurance trust fund is on the verge of running out of money, and that, as a result of delay, the cost of putting the entire program on firm footing is rising. Both developments highlight the need for early action both to restore confidence in the nation's major social insurance program, to give people time to adjust to needed changes. The brief updates the numbers and puts the current report in perspective. It also discusses the projected exhaustion of the Disability Insurance Trust Fund in 2016, and questions whether workers should bear both the current and legacy burden of financing what is becoming an expensive pay-as-you-go retirement system. (Number 14-12, August 2014).

8. PROPOSED LEGISLATION WOULD AFFECT SOCIAL SECURITY: The office of the Chief Actuary, U.S. Social Security Administration, believes enactment of seven provisions of proposed Social Security 2100 Act would eliminate the entire long range OASDI actuarial deficit of 2.72% of taxable payroll under current law, replacing deficit with a surplus of 0.05% of payroll for the long range period. Here are the following seven provision with direct effects of OASDI program:

- Invest up to 25% of the trust fund reserves in equities, fully effective in 2025.
- Increase the combined OASDI payroll tax rate to 14.4%, fully effective in 2037.
- Apply the combined payroll tax rate on earnings above \$400,000, fully effective in 2015.
- Increase the threshold for taxation of benefits to the OASDI Trust Funds, to \$50,000 for single filers and \$100,000 for joint filers, fully effective in 2015.
- Use the Consumer Price Index for the Elderly to calculate the cost-of-living adjustment effective, for December 2015.
- Increase the first PIA formula factor from 90% to 93% for all eligible beneficiaries as of January 2015, and for those newly eligible for benefits after January 2015.
- Increase the special minimum PIA, beginning for workers who become newly eligible for retirement or disability benefits or die beginning in 2015.

Letter dated July 31, 2014 to Representative John Larson, sponsor of the Social Security 2100 Act, from Stephen C. Goss, Chief Actuary.

9. IN WORKERS COMPENSATION, IF UNDERLYING CONDITION NON-COMPENSABLE, SUBSEQUENT DISABILITY FOR SAME CONDITION LIKEWISE NON-COMPENSABLE: In a workers' compensation appeal, a law enforcement officer argued that the Judge of Compensation Claims erred by applying the doctrines of res judicata and collateral estoppel to bar his claim for benefits based on a new period of disability arising out of treatment of a non-compensable cardiac condition. The court found no error in the JCC's application of either, or both, of these preclusion doctrines. The court rejected the claimant's primary legal argument, which posited that he was not required to show a new injury, or worsening of a

compensable injury, in order to establish a new date of accident separate and apart from the injury previously denied with finality. Claimant began work as a police officer for the City of Daytona Beach. Six years later, he was diagnosed with dilated cardiomyopathy, and received a heart transplant. Before Claimant could return to work following his surgery, he developed bradycardia, and had a cardiac pacemaker surgically implanted. Claimant thereafter returned to work. Claimant did not file a petition for benefits relating to his heart condition until three years later. The JCC denied the petition on grounds that the statute of limitations had expired, and alternatively, that the employer had successfully rebutted the statutory presumption of compensability under Section 112.18(1), Florida Statutes. Claimant appealed the JCC's order, but later dismissed the appeal by agreement of the parties. As part of the agreement, the parties stipulated to finality of the JCC's order denying benefits for Claimant's heart disease. Two years later, claimant suffered another period of disability related to his heart disease, when he was hospitalized for replacement of a lead on the cardiac pacemaker implanted five years earlier. The lead was found defective based on abnormalities in an EKG. Claimant filed a petition for benefits -- alleging a new date of accident -- again requesting compensation for his heart disease, but this time as a result of a new period of disability suffered for this condition. The JCC denied benefits on the doctrines of res judicata and collateral estoppel. That order was the subject of the current appeal. Claimant alleged compensability under the occupational disease theory of recovery. An essential element of a claim based on an occupational disease is that it results in disability. A new date of accident is found only when the underlying occupational disease is compensable and the disease progression results in a subsequent period of disability. In contrast, claimant's underlying condition, specifically the heart disease that resulted in the heart transplant and implantation of a pacemaker, was previously adjudicated as non-compensable. Claimant admitted there had been no change in his condition when he was hospitalized for repair of his pacemaker; rather, he experienced a new period of disability. Because the underlying condition was adjudicated to be non-compensable, it follows that the subsequent disability arising out of treatment for that condition is likewise non-compensable. Nothing supports the argument that in the instance of occupational diseases, a new date of accident can be proven in the absence of a new or different injury.

There is support for the JCC's conclusion that claimant's cardiac condition on the new date of disability relates directly back to the original date of injury, thus compelling application of res judicata and collateral estoppel to bar the new claim. *Smith v. City of Daytona Beach Police Dept.*, 39 Fla. L. Weekly D1483 (Fla. 1st DCA July 16, 2014).

10. TOP 10 LEGISLATIVE ISSUES IN 2014: Governing.com says that for states throughout the country this year, there is a common theme: a climate of uncertainty coupled with a sense of genuine opportunity. Amid worries about the federal government's failure to boost funding for infrastructure, many states are taking steps to produce that funding on their own. Congress seems to have stalled -- again -- in its efforts to reform the immigration system, but states are enacting bills designed to grant new rights to some of their undocumented residents. And after a period in which higher education programs faced dramatic cuts, states are putting money back into those programs, some of them more efficiently than in the past. Here are 10 big issues states will look to tackle in 2014:

- **Medicaid.** About half the states have signed on to a Medicaid expansion funded entirely by the federal government for the first three years, and most have done so by simply extending the program to adults earning up to 138% of the federal poverty level. In statehouses in 2014, expansion will be discussed alongside revisions in how Medicaid is delivered and accessed.

- **Income Tax Revision.** As state finances stabilize in the post-recession economy, some states will look forward to major changes in their tax codes. Ten governors last year floated income tax cuts, most with the rationale that they would help their states remain economically competitive. The pressures of a constrained economy and tepid growth have also increased interstate competition. There is a reluctance to have state tax rates higher than their neighbors.

- **Minimum Wage Laws.** President Obama's effort to raise the

federal minimum wage to \$9 per hour is going nowhere, but it could increase the pressure on states and localities to take action. In recent years, California, Connecticut, New Jersey, New York and Rhode Island have all passed hikes that raised the minimum wage above the federal \$7.25-per-hour floor. Some cities are inclined to go further.

- **Public Pensions.** Courts and voters will play key roles in answering the next big question facing public pensions: are current retirees immune to cuts? Many court watchers expect bankruptcies in Detroit and San Bernardino, California to set precedent in this area, as both cities have taken the unusual move of including pension debt in their filings. The judge presiding over Detroit's bankruptcy recently ruled that the state's protection of pension promises does not apply at the federal bankruptcy court level; city employee unions are appealing the decision. San Bernardino's judge has not issued an opinion. One commentator believes the question will ultimately be decided in the U.S. Supreme Court, as the issue comes up in more states. There are going to have a lot more courts opine on this questions in the next few years. Meanwhile, in California, an effort is under way that could have major consequences for CalPERS, the state's huge public employee pension fund. Mayors of five California cities facing large pension costs are seeking to get an initiative on the 2014 ballot that would give government's authority to negotiate changes to existing employee pensions.
- **Immigration.** In 2013, the U.S. Senate passed a comprehensive bill that linked enhanced border security with a pathway to citizenship for the country's estimated 11 million undocumented immigrants. So far the proposal has languished in the House. But, whether or not a new immigration law is enacted by Congress this year, the issue will remain a top priority in state capitals.

- **Safety Net.** Some 46.7 million Americans lived below the federal poverty line in 2012, about 10 million more than the year before the recession. State and local governments are grappling with how to care for their neediest residents amid diminished federal aid. We still have to take care of them. The overall unemployment rate has fallen significantly over the past two years, but the economic recovery is leaving behind those at the bottom. Meanwhile food stamps, officially known as the Supplemental Nutrition Assistance Program, experienced a \$5 billion reduction in November when Congress allowed a recession-era boost to expire.
- **Higher Education.** When state revenues plummeted in the aftermath of the recession, colleges and universities incurred some of the steepest cuts in state budgets. At the same time, enrollment jumped nationwide as mid-career workers returned to school, and students put off entering the job market. Now the picture is slowly changing. One preliminary survey showed that 37 states increased fiscal 2014 operating support for public four-year universities.
- **Employee Compensation.** States that enacted extended pay freezes and benefit cuts in recent years might soon have an opportunity to reduce the pinch on state workers, as revenues rebound. Already this past fall, most Florida state employees saw their first across-the-board pay increase in seven years, while those in Virginia received their first permanent base pay raise since 2007. Missouri and Kentucky state employees are among those that have recently pushed legislatures for sustained compensation increases.
- **Transportation Funding.** For all the talk about the importance of investment in infrastructure, the feds have kept transportation funding at stagnant levels. So, in 2013, many states decided to take matters into their own hands. The issue will become more

important in 2014 because, while states are wrestling with how to pay for infrastructure, so is Washington. This fall, MAP-21, the federal legislation that decides how much the country will spend on transportation and where the money will come from, is set to expire (see C & C Newsletter for July 31, 2014 item 8). It is happening at a time when the federal gas tax has remained unchanged for more than 20 years, and federal budget forecasters continue to warn that, without action, the gas tax accounts that reimburse states and localities for transportation projects could soon run dry.

- **Drones.** As it stands, the use of drones is allowed by the Federal Aviation Administration on a case-by-case basis, largely for public and research use by law enforcement agencies and universities. But last year, FAA published a road map that outlines plans to allow more widespread use of drones for commercial or private uses by 2015. The plan means that 2014 could see a great deal of drone legislation, as states try to draw up new laws to balance the security opportunities and privacy concerns that come with heightened drone use.

11. INTERESTING FACTS: Glass takes one million years to decompose, which means it never wears out and can be recycled an infinite amount of times.

12. TODAY IN HISTORY: In 1947, Balsa raft Kon Tiki crashes into a Polynesian archipelago reef.

13. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest assured that we will not publish any names as referring sources.

14. PLEASE SHARE OUR NEWSLETTER: Our newsletter readership is not limited to the number of people who choose to enter a free subscription. Many pension board administrators provide hard copies in their meeting agenda. Other administrators forward the

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