

Port Authority Compensation and Benefits Reform

Committee on Operations

March 29, 2012

The Case for Reform

- **Follow-up to the Special Committee of the Board and Navigant Interim Report of January 31, 2012, at the direction of the Governors of New York and New Jersey**
- **Phase I audit recommendations benchmarked compensation and benefits with similar New York and New Jersey agencies**
- **These proposed reforms seek to address inconsistencies in administration and will better align the Port Authority with the two states**
- **As a first step, the majority of reforms will initially impact non-represented employees**

Areas of Reform

- **Healthcare**
- **Vacation Programs**
- **Compensation Programs**
- **Additional Anticipated Savings**

Healthcare

Implement healthcare contribution system

April 29, 2012

- 4-year phased implementation
 - Contribution rates based on salary and type of coverage
 - Employees at highest salary levels will contribute 35% of the cost of premium in year 4
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- Estimated 2012 savings: \$1,460,400
 - Estimated 2013 savings: \$4,684,400

Healthcare (cont.)

Maximize financial discounts of healthcare plans *April 1, 2012*

- Estimated 2012 savings: \$5,928,000

Capitalize on federal benefits reimbursements *January 1, 2012*

- Estimated 2012 savings: \$1,013,000
- Estimated 2013 savings: \$1,013,000

Introduce alternate lower cost healthcare plans *January 1, 2013*

- Estimated annual savings: \$3,000,000

Revise Port Authority Labor Relations Instruction to exclude healthcare as a subject of negotiations for represented staff

TOTAL 2012 HEALTHCARE SAVINGS: \$8,401,400

TOTAL 2013 HEALTHCARE SAVINGS: \$8,697,400

Vacation Programs

Phase in revised vacation schedule

June 24, 2012

Eliminate executive management excused program

January 1, 2012

- Average reduction per employee: 5.3 days
- Range of reduction: 1 to 17 days

- Estimated 2012 savings: \$482,408
- Estimated 2013 savings: \$4,129,444

Vacation Programs (cont.)

Discontinue vacation exchange program *January 1, 2013*

- Estimated 2013 savings: \$3,777,579

Reduce vacation payout upon separation to one year

- Estimated 2013 savings: \$4,030,459 *January 1, 2013*

TOTAL 2012 VACATION PROGRAMS SAVINGS: \$ 482,408

TOTAL 2013 VACATION PROGRAMS SAVINGS: \$11,937,482

Compensation Programs

Elimination of certain add-on compensation *July 8, 2012*

- Average reduction of total compensation per employee ranges from 1.8% up to 8% at the highest levels of the agency
- Estimated 2012 savings: \$1,154,416
- Estimated 2013 savings: \$2,108,812

TOTAL 2012 COMPENSATION PROGRAM SAVINGS: \$1,154,416

TOTAL 2013 COMPENSATION PROGRAM SAVINGS: \$2,108,812

Total Compensation on PA Web Site

Posting of total compensation 2008, 2009, 2010

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Public Reporting

Employee Payroll Information – as of November 30, 2011

The table below includes current payroll information for employees (full-time or part-time) who received payment from The Port Authority of New York and New Jersey and Port Authority Trans-Hudson Corporation during this calendar year, regardless of their current payroll status. You may hover over the column headings for a brief description of each form of payment, or [click here](#) for a complete listing. Note that the amounts are for informational purposes and amounts are not indicative of tax, pension, or other required reporting.

Department	Name	Title	Full/Part Time	Union	Annual Rate (\$)	YTD Base Pay (\$)	YTD Overtime (\$)	YTD Longevity (\$)	YTD Differential Pay (\$)	YTD Pay for Unused Time (\$)	YTD Retro Payments (\$)	YTD One-Time Payments (\$)	YTD All Other Payments (\$)	YTD Total Payments (\$)

YTD payments based, at least in part, on years of service

Elimination of PATH Passes

Elimination of “PATH Passes for Free Travel Program” for all non work-related travel for :

- Non-represented PATH active employees
- Port Authority management staff holding PATH Passes
- All retired non-represented PATH employees
- Spouses, same sex domestic partners, and eligible family members of active, retired, or deceased non-represented PATH employees

April 29, 2012

- Estimated 2012 savings: \$170,449
- Estimated 2013 savings: \$255,674

Additional Savings

Manage size of labor force to authorized headcount *April 1, 2012*

- Estimated 2012 savings: \$3,500,000
- Estimated 2013 savings: \$2,400,000

Reduction in pension payments resulting from elimination of certain compensation and benefits programs

- Estimated 2012 savings: \$728,587
- Estimated 2013 savings: \$1,300,785

Total Savings

	Estimated 2012 Savings	Estimated 2013 Savings
Healthcare	\$8,401,400	\$8,697,400
Vacation	\$482,408	\$11,937,482
Compensation	\$1,154,416	\$2,108,812
Additional Savings	\$4,399,036	\$3,956,459
TOTAL SAVINGS	\$14,437,260	\$26,700,153

GRAND TOTAL SAVINGS: \$41,137,413